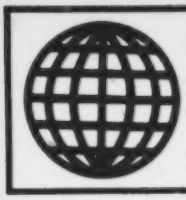

Daily Report

Latin America

FBIS-LAT-89-197
Friday
13 October 1989

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FBIS-LAT-89-197 *13 October 1989*

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Reportage on Presidential Group of Eight Meeting

Colombia's Barco Addresses Group

PY1210212489 Lima Domestic Service in Spanish 1824 GMT 11 Oct 89

[Speech by Colombian President Virgilio Barco at the opening ceremony of the third presidential summit of the Group of Eight countries in Ica, Peru—live]

[Text] Presidents, ministers, ambassadors, ladies and gentleman: The heads of state that make up the Group of Eight are meeting for the third time to renew our political will to jointly face our common problems and to consolidate our commitment to peace, progress, and democracy in Latin America.

The pragmatism, flexibility, and political firmness of this process have yielded highly satisfactory results. The international community, without a doubt, has recognized that the Group of Eight is a valid voice of our region in the discussion of the most urgent political and economic problems affecting our nations. The credibility of our group has increased to the degree that its attitude has contributed to consolidating the process of democratization of Latin America and to promoting and defending our regional cooperation and integration.

It is also clear that some of the Group of Eight views have been adopted by the industrialized countries. For instance, the foreign debt is no longer viewed as an exclusive responsibility of debtor countries, but also as a vital responsibility of creditor nations. As a result, the debt crisis is beginning to be discussed in all its economic dimension, and most importantly, in all its political dimension.

Two recent Group of Eight positions have made clear that our Latin American countries require the effective cooperation, not only of industrialized countries but also of multilateral credit organizations if we are going to successfully meet the challenges of the future.

All this has been achieved because the Group of Eight has taken joint positions on problems affecting member countries and because its attitude has been extended to broader scenarios to include the problems and feelings of other Latin American countries.

We will continue advancing toward a consensus, and if possible toward joint positions to strengthen our democratic institutions, permit peaceful coexistence, service our foreign debt, protect our environment, strengthen the OAS, eradicate poverty, and develop social justice.

It is also necessary to promote alternative forms of integration. Integration through bilateral agreements is just the first significant step to facilitate multilateral agreement in the future.

On 5 October, Venezuela and Colombia signed various agreements to promote the accelerated and harmonious development of the border areas and to increase brotherly coexistence between Colombian and Venezuelan populations.

These issues are closely linked to two other topics about which I must speak here. These topics are the fight against drug trafficking and the insertion of Latin America in a new world of accelerated evolution.

Drug trafficking has become a ill-fated scourge of humanity. Latin America, and especially Colombia, has made painful sacrifices in the struggle against drugs which greatly affects developing countries, the United States, and Europe.

The apparent benefits indirectly obtained by Latin America from illegal drug trafficking are much smaller than the damage and direct costs it also obtains from them. Colombia is in the front line in the war against drug trafficking. Cartels which have established their headquarters in our country are coordinating coca processing and merchandising in the U.S. and European markets.

Since its beginning my administration has adopted measures and sought actions to fight drug trafficking. First, we strengthened the state security and intelligence organizations as well as the Armed Forces and national police, which are essential in the fight against organized crime. We coordinated our actions to find cocaine-processing laboratories, and we confiscated coca paste imported from South America and precursor chemical components which come from the United States, Europe, and South America. We have confiscated communications and transportation equipment, and we have arrested criminals and placed them at the disposal of the court. We have also promoted coca crop-substitution programs and discouraged domestic drug use.

Second, my administration has adopted measures to confront organized terrorism which is conducted by drug cartels or gangs of criminals, trained by foreign mercenaries and financed by drug traffickers. They have murdered judges, a minister of justice, a ... [4 minute break in reception] ... in a letter dated 9 October to UN Secretary General Javier Perez de Cuellar and the respective ambassadors.

This special assembly does not mean that the National [as heard] Security Council should exclude world security issues. It is important that [1/2 minute break in reception]... world development and political power. To this we must also add the unification of Europe in 1992. Besides, the Soviet policies of perestroyka and glasnost have substantially modified not only the Communist ideas but also the future world political and economic scene.

These transformations are attractive for the industrialized European countries. They promote the development of Eastern Europe and probably reduce European interest in Latin America. Besides, the United States and Canada are permanently making progress toward their socioeconomic integration.

We stand before a different world which is offering opportunities which must be taken into account, but which also creates difficulties for which we must be prepared. Latin America should reconsider its situation and policies in face of the rapid world changes. We must analyze the way in which we will integrate and harmonize our economies in this new international economic and political scene.

In face of these events, we must redefine our integration formulas and our development models. I suggest that a work group be formed to study this subject and to adopt specific measures leading to the economic and social progress of Latin America in this new world that is being born.

My dear presidents and friends, this new meeting of the Group of Eight must make us strengthen our solidarity in face of the threats against democracy and our social progress. We must strengthen the regional cooperation mechanism and our negotiated capacity through the implementation of an efficient strategy of consensus to make our proposals more solid.

We member countries of the Group of Eight are united by undeniable historic ties of friendship. We are also united by strategic, political, and economic interests which must be coordinated to be able to successfully face the challenges of tomorrow.

As I recently told my Venezuelan counterpart, unity can be solidly built on feasible initiatives rather than on words. Integration thrives on achievement that in practice bring peoples together and allow them to enjoy the results of progress obtained through common effort. Years of struggle for regional development have shown us that development must be based on actions that will generate confidence and well-being, contribute to naturally complementary actions, and solve small and large problems.

Colombia is determined to continue strengthening the mechanism of consensus by endorsing the suggestions I have made and those that will spring from this summit meeting. Thank you. [applause]

Argentina's Menem Speaks

PY1210151789 Lima Television Peruana in Spanish 1805 GMT 11 Oct 89

[Speech by Argentine President Carlos Menem at the opening ceremony of the Group of Eight summit in Ica, Peru—live]

[Text] Messrs Presidents, my friends, Messrs Ministers, Messrs delegates, sisters and brothers of America and the world:

Argentina wishes to give its profound thanks for President Alan Garcia's words of welcome. We express our thanks as one would at the house of his brother, with the certainty of sharing the same hopes and dreams. This common will is represented here today in the immense and determined common will of Latin America, which once and for all should be transformed into a land of freedom, justice, peace, work, and progress for everyone. We have come here, brothers of Latin America, with the conviction that our peoples are aware of the profound identity that links them. We all feel the call to a major task, which is to make our unity a reality. We have a formidable challenge ahead of us: to build a new and vigorous Latin America where women and men can enjoy a creative, vital freedom that is always looking ahead to the future.

I therefore have not come here to reiterate old frustrations. I have not come here to repeat hollow slogans of failures, not even with the intention of justifying our mistakes or providing an excuse for our serious problems. No, I come here with an essential message, a determined call, a firm conviction. I have come to tell each and everyone of our brothers in our great fatherland that nobody can do for us what we are not able to do for ourselves. I have come here to point out that our destiny depends on our own efforts, not on any other form of dependency. I have come to note before our peoples and governments that only Latin Americans can save the Latin Americans. As an initial, decisive measure, what counts is our efforts, our intelligence, our greatness, our imagination, our integrity, our modern vision, our modern spirit, our spirit of enterprise, and our clear-thinking toward building a greater and more just history.

Our great fatherland needs men who think, live, feel, decide, dream, and act with greatness, without selfishness, without sectarian blinds or ideological biases. It needs men who not only love the color of a political banner but who fundamentally love the development of our great, common nation. This is the great call, in the face of a similar challenge, we do not have many options. Either we advance with the times or we try to turn back the clock of history forever; we add or we substract; we build bridges of union or we build walls of disharmony; we sow lands of justice or we unleash a storm of backwardness and poverty. Ladies and gentlemen, we can either write history of we can pass up a new opportunity.

Of course this is not the time for lamentation or complaints. It is time to recognize how much we have advanced in just a few years. As evidence of this it is sufficient to realize the extraordinary significance of the unprecedented and historical expansion of democracy in Latin America. Never before has anything like this taken place in our region, and never before with its current strength. We would be wrong to ignore the fundamental influence of that process in the revival of the old dream of Latin America unity, because free people tend to spontaneously manifest an active and reciprocal solidarity; because democratic governments, simple instruments of the popular will, cannot but translate aspirations into policies that express authentic cooperation among nations.

Our region is experiencing a period of profound changes in keeping peace with the great transformations taking

place in the world, in an increasingly interdependent, smaller world that is advancing inexorably toward a global society. In this world of the future there will be less and less space for old nationalisms, which are increasingly anachronistic in their static conception of history. We witness this undeniable reality every day. The sun cannot be blocked out with our hands; our policies cannot be nostalgic conceptions of a nebulous past that cannot be regained; we cannot embrace an awkward idea of individual salvation within our own borders, isolated from what is happening not only with our neighbors but with other centers of power that are now emerging with irresistible force around the world.

Our vision of the future today is totally different. The integration we seek for our nation requires that we overcome the vestiges that remain from those rigid nationalisms within rigid boundaries. This is no longer a subject for speculation by our political philosophers; this is directly related to the interests of our peoples. The issue of border has past, as have so many governments that viewed those borders as their central concern, a concern that was not really shared by the peoples. Those same borders are today becoming the most dynamic areas in the policy of regional integration that we are promoting. Those same borders now offer new opportunities to millions of Americans for stimulating trade and economic and social growth in vast areas that have been totally neglected in the past.

The integrated Latin America that we want to build does not imply that we should simply change the old nationalistic borders into regional borders, trying to turn the region into a bunker sheltered from the rest of the world. If we do this we would only be effecting on a larger scale the same outdated conception of isolationism that existed in the past. On the contrary, we want to incorporate ourselves into and actively participate in world affairs. We not only want to participate but to compete, acting from a base that expands and makes use of the potentioals of our nations' individual capabilities. We are convinced that the integration of Latin America is the most effective instrument for attaining that objective. Latin American integration must be viewed as a way to gain access to the world, not as a wall to separate us from it. This will surely not be an easy road. It will not be easy because we are starting out on it in the midst of an economic crisis without precedent in the region's history. But perhaps this crisis has spawned the conviction and strength to work together for a clearly defined political project.

From Acapulco to Ica, we have taken definite steps in two areas that are fundamental for the future of our peoples: We have consolidated our democratic system and we have actively contributed to the consolidation of peace in the region. We must now quickly create conditions for effective economic growth to meet our peoples' long-standing demands for a dignified life in which well-being is the legitimate result of work. We are making great efforts in that direction and we are experiencing the inevitable sacrifices that must be made within our own countries to adjust our economies. The cost is high; we are assuming that cost with the determination required for the critical situation in which we find oursleves. It is obvious, however, that our efforts must go hand in hand with a more proper perception by the international community of the serious political and economic effects of some crucial problems, among them the foreign debt.

The paths of those who are determined to grow must not be blocked; hurdles must not be erected in the way of those who need to trade; discrimination must not be exercised against those who want to integrate themselves into the concert of nations under equitable conditions. This is not a demand trumpeted from an ivory tower of an ideology, dogma, or partisan whim; it is a vital need that stems from the most profound and critical portions of the current reality. We all know very well how difficult it has been to recover the unrestricted exercise of democracy, but, in order to preserve it, this stubborn construction of freedom pressuposes ensuring the real and fundamental rights of man. These rights are fatally wounded when there is a shortage of jobs and an excess of poverty, as is happening in our continent. We all know very well that democracy can be poor and continue as a formal democracy. But I ask myself, all of you, and our creditors: For how long can a formal democracy be maintained in poverty? The answers that come to the minds of our peoples and governments indicate the intensity and urgency of this claim for social justice in the international order.

Messrs Presidents: I am sure that the future of our America will be different and better than its past. We have the will, and we have the human and material resources, to attain that future, but many challenges will test our determination. One of those challenges, over whose seriousness and consequences we must carefully ponder, is confronting us at this time: The challenge of drug trafficking. This scourge threatens to become a factor that can undermine the regional security and even jeopardize the stability of our democratic institutions. It is necessary and urgent for us to act in a concerted manner to restrict the growth of the drug trafficking threat and to neutralize its effect on our societies.

While we are not all in the same situation, none of our countries feel impervious to such a threat. Our concerted action to control this scourge must, however, receive effective cooperation from the drug-consuming countries. Without this cooperation we will be unable to guarantee the desired effect. I would like to make a fervent appeal to all governments to adopt necessary and urgent actions at the international level. Latin American wants to live in peace; it wants to grow in democracy; it aspires to be a respected protagonist in the affairs of the world in the next century. Hundreds of millions of women and men believe this is possible, and we have to be the interpreters of the will of our peoples. We are determined to give our peoples answers to their aspirations. We will fulfill the dreams our forefathers could not achieve.

We will work together in the conviction that our real independence will be consolidated more rapidly if we work together. This is the final thought I want leave with you, the representatives of a sleeping continent that has begun to awake. The cause of unity is the cause of development; the cause of development is the cause of life; and the cause of life is the cause of peace. These are our most precious banners, the banners of our children and of all men of good will.

We stand for a united Latin America that dreams of being protagonist of times of peace, justice, and development. The time has come then, sisters and brothers of Latin America, for the integration of which our forefathers dreamed. Integration was the dream of Bolivar and of San Martin who said that he did not belong to any political faction in the Argentine Republic but to the party of America. Artigas spoke of the great fatherland as he stood on the eastern bank of the River Plate. This is the America of which we dream, and of which we have the duty to bring into realization for our children and our grandchildren. This is the mandate of history that we must fulfill, involking God, the source of all reason and justice. Sisters and brothers of Latin America; forward and onward with our integration. Thank you very much. [applause]

Menem Holds News Conference

PY1210184889 Lima Domestic Service in Spanish 1345 GMT 12 Oct 89

[News conference held by Argentine President Carlos Menem in Las Dunas Hotel in Ica, Peru—live, in progress]

[Excerpts] [Passage omitted] [Unidentified reporter] What is the position of the Group of Eight regarding the Malvinas Islands? Will the Group of Eight support Argentina in the defense of its sovereignty?

[Menem] The Group of Eight has supported Argentina for a long time, so has the OAS and the United Nations. Their support is unquestionable.

[Reporter] [Question indistinct]

[Menem] Cuba may join the OAS. We have no objection to that. As for Panama, it continues to belong to the OAS but not to the Group of Eight. Panama has been suspended temporarily from this group until democracy returns to that country. This will be stated in a document we are preparing during this meeting. [passage omitted]

[Reporter] Is the pardon for military officers and terrorists in Argentina damaging the moral health of your country or Argentina democracy?

[Menem] No, because this is not the first time a pardon has been granted in the world. There have been pardons everywhere. Not long ago a pardon was granted in Uruguay and it has been ratified by the Uruguayan people. A pardon was granted in Spain after the [word indistinct]. There were pardons granted after the World War II. Pardons and forgetting have allowed the integration of the European Economic Community. It also allowed President Bush to pay hommage to Emperor Hirohito, one of those responsible for the World War II, during his funeral. Therefore we can completely overcome this matter.

[Reporter] [Passage omitted] reported that Argentina would ask to participate in the summit meeting of the presidents of Colombia, Peru, and Bolivia and the United States. Is this true, and what would be the Argentine role in this summit?

[Menem] No, that is not correct. We support this summit meeting, and continue maintaining our same attitude toward the fight against drug trafficking. We currently do not differentiate between coca producer and coca consumer countries. They are both part of a same process, so we must carry out an all out war against the three [as heard] phases of drug production and merchandising.

[Reporter] [Passage indistinct] A stronger action is required by [word indistinct] especially the United States to fight drug trafficking.

[Menem] I think that we need the will of every one. We would not gain anything by restricting the production of coca in Peru, Colombia, and Bolivia if the United States does not help to substitute this crop. We cannot divide this action. The fight must be an all out war by all the countries of the world, because drugs are currently present in all countries. There is not a single country that can claim that there is no drug addiciton or trafficking in its territory. Not long ago, I read that 14 drug traffickers were hanged in Saudi Arabia, where they are very conservative and where there is strict control over any kind of vice.

[Reporter] [Passage indistinct] What position has Argentina maintained throughout this meeting regarding the foreign debt issue? Do you think all the Group of Eight members will arrive at a joint position regarding this issue?

[Menem] We are currently renegotiating our debts individually because each country is different. The economic policies have so far not been integrated but they must be integrated. As long as we do not attain integration, the foreign debt negotiations will be carried out individually. If we make progress towards integration, things may change for the benefit of all. For the time being the negotiations will be carried out separately.

[Reporter] President Alan Garcia yesterday called for the establishment of concrete integration goals for 1992. Has this been discussed by the presidents? Will concrete goals be fixed?

[Menem] We are discussing this. We have already set concrete goals, based on experiences. For example we have an economic integration with Brazil, which Uruguay recently joined. This must serve as an example for the rest of the Latin American countries. Of course we

must not forget some of the positive results, like in the case of the Andean Pact which is reviving and reorganizing itself, and other agreements not only in Latin America but in the whole American continent. We are heading toward a continental unity like that of Canada and the United States. After Latin America achieves integration we want integration with Central and Northern America.

[Reporter] [Question indistinct]

[Menem] President Virgilio Barco was surprised, because he thought that the crew of the three planes we donated to Colombia had already returned to Argentina. However, they are still there waiting for the airplanes to be placed at the service of the struggle against drug trafficking. [passage omitted]

[Reporter] Mr President, Colombian President Virgilio Barco has proposed a special UN session to discuss the drug trafficking problem. What is the Argentine point of view on this?

[Menem] We support his proposal as stated in the document that was prepared by our foreign ministers and approved last night by the Group of Eight. We advocate a UN session to exclusively discuss the drug trafficking problem. We also advocate a similar session in the OAS.

[Reporter] Mr President, what is the position of the Group of Eight regarding the recent meeting between President Virgilio Barco and the French President as the EEC representative?

[Menem] That should be answered by President Barco. However, I think Europe is suffering greatly from the drug scourge which is having effects worse than those of past and present wars. [passage indistinct] refer to this subject. [passage omitted]

[Reporter] [Question indistinct]

[Menem] [Passage indistinct] Italy and Germany have spared no effort in their fight against terrorism. The cost of the fight against terrorism in the United Kingdom is currently very high. Not only the United Kingdom, but the whole European Economic Community is combating terrorism. You know that the IRA [Irish Revolutionary Army] is more active now than ever.

The same thing is happening in Latin American. We are individually and jointly trying to control these evils that affect our societies.

[Reporter] [Passage indistinct] Could you tell us please about the Argentine economic achievements and the improvement in the standard of living of its people; can this be achieved despite the costs?

[Menem] In 100 days of government in Argentina we attained what has not been attained in 30 years of past governments, including a Justicialist administration. We have curbed inflation. We have reduced the inflation rate from 200 percent in June to a single-digit inflation rate in September. We intend to maintain this situation and have begun a productive revolution through two important state reform laws, an economic emergency bill, and a tax reform.

This is not a unilateral or arbitrary central government policy. It is the result of a consensus among all sectors of society. You can observe the results, we have increased production and raised the standard of living of the Argentine people, which is unusual in our country. [passage omitted]

[Reporter] The problem of the Malvinas Islands is not over. What will your administration do about it?

[Menem] Our government is carrying out talks on the subject. On 17 and 18 October Argentine and British Government officials will meet in Madrid to discuss this subject. [passage omitted]

Sarney Proposes Secretariat

PY1210235089 Brasilia Domestic Service in Portuguese 2200 GMT 12 Oct 89

[Report from Ica, Peru, by Antonio Carlos Silva]

[Text] President Sarney proposed here the creation of a permanent secretariat to implement the proposals approved by the Group of Eight, especially those concerning the foreign debt, which should be reduced.

According to the president, international organizations that uphold the policies of the rich countries are not transferring resources and are punishing debtor countries like Brazil, which was thus forced to delay its foreign debt interest payments. Sarney again gave assurances that his successor will receive a country with good reserves.

Upong leaving the Group of Eight meeting, President Sarney emphasized its consolidation.

[Begin Sarney recording] I would emphasize the consolidation of the Group of Eight. At this meeting we evaluated the performance of the Group of Eight, and we concluded that in the past 3 years it went through a great stage, through a political stage on the continent. As I have just said, we prevented the Group of Eight from seeking partial solutions, and it is today making progress toward planning the formation of a great common market in the great Latin American fatherland. [end recording]

President Sarney revealed that the Brazilian proposal to have Cuba rejoin the OAS was well received. He noted that this will be instrumental in ending conflicts in Central America.

Sarney said that the use of nuclear weapons was discussed at the meeting. He considers nuclear arsenals a threat to human life and to the environment. Thus, he said, it cannot have been excluded from their talks.

Commenting on Latin American integration, Sarney announced that ministers of the Group of Eight will meet to eliminate trade barriers such as import duties within the area.

Sarney Lauds Antidrug Fight

PY1310004689 Brasilia Domestic Service in Portuguese 2200 GMT 12 Oct 89

[Report from Ica, Peru, by Antonio Carlos Silva]

[Text] The third summit of the Group of Eight will conclude today in Ica, Peru, at the end of 2 days of talks. The group consists of Brazil, Argentina, Uruguay, Peru, Colombia, Venezuela, and Mexico. The eighth member, Panama, has been suspended.

The presidents of these countries were conferring and seeking solutions to common problems such as the renegotiation of their foreign debt in order to reduce it, a position advocated by President Sarney.

Some decisions were already made regarding Latin American integration: Finance, planning, and foreign ministers from the Group of Eight countries will meet in Buenos Aires from 5 to 6 next [month not specified] to outline a strategic program to promote Latin American development; and communications and transport ministers will meet in Rio de Janeiro to discuss Latin American integration across the border. Travel from one country to another will be facilitated by waiving visa requirements. Agreements to fight the drug trade will also be announced.

The presidents also discussed the preservation of the environment, a topic that will be included in the final declaration along with the main decisions of the summit. The talks are scheduled to end late this afternoon.

After his last meeting with the Group of Eight presidents, Sarney made remarks to the press in Ica. He emphasized the Brazilian action against the drug trade, the main subject discussed in Ica. Sarney stated that the Brazilian Federal Police have tight control over the Brazilian border.

[Begin Sarney recording] Control measures have been successfully implemented because the only cocaine factory discovered during this period was using chemicals imported from the FRG, which shows that our control efforts have been effective. The great danger facing Brazil today is the passage of drugs through our territory. [end recording]

Sarney also commented on Brazilian-U.S. relations, and he lauded President George Bush's effort to formulate a positive agenda, as he proposed in Tokyo. Sarney stated that his efforts in this direction are not designed to benefit his government only, but to pave the way for his successor to have a better international atmosphere than the one he found upon his inauguration.

Sarney noted that the Group of Eight could not have acquired the significance it enjoys today without Brazil's effective, patriotic participation. Brazil advances hand in hand with Latin America; it is integrated with Latin America, which is our geographical area, he said.

Brazil Police on Drug Fight

PY1310015089 Brasilia Domestic Service in Portuguese 2200 GMT 12 Oct 89

[Text] The Peruvian Government has asked the U.S. Government to finance the installation of a radar system between Peru and Colombia to monitor small planes that operate in the area. Many of these planes carry shipments of coca leaves.

This information was released by Brazilian Federal Police Chief Romeu Tuma, who is attending the Group of Eight talks in Peru. He said Brazil is interested in participating in this project because it wants to prevent the drug from being hauled within its border.

Tuma voiced his belief that the project will be approved. He noted, however, that this will not be sufficient to effectively fight the drug trade.

[Begin recording] [Tuma] Absolutely not. There is another obstacle: Drug traffickers are always taking the initiative; we are alert to uncover and to disrupt new transportation systems or plantations, always trying to deter them from getting reorganized.

[Reporter] In your opinion, is the U.S. Government willing to assist in these projects?

[Tuma] Look, one of the major topics discussed at the Group of Eight meeting was the drug trade, its connection with terrorism, and the effective aid that could be given by consumer countries. It was made quite clear here that it is the demand from consumer countries that has stimulated drug production. The declaration to be issued today will emphasize the projects endorsed by the eight [as heard] presidents. [end recording]

Tuma said there is indeed a connection between the drug trade and terrorism, but he ruled out the existence of a connection between terrorists and kidnappers. [sentence as heard]

Group Issues Declaration

PY1310025289 Buenos Aires TELAM in Spanish 0107 GMT 13 Oct 89

[Text] Ica, Peru, 12 Oct (TELAM)—The third presidential summit of the Group of Eight made progress toward complying with the guiding principle that prompted its creation: the integration of Latin American countries to face those problems requiring a prompt solution.

A joint action to face the distressing burden imposed by the foreign debt, the battle against the potential problem of drug addiction and the drug trade, the strenthening of the emerging democracies, and peace and development

in the region are some of the common goals of the countries comprising the Permanent Mechanism for Consultation and Political Agreement, as is reflected in a declaration signed today by seven of the eight presidents of the Group of Eight.

The desires outlined in the documents of Acapulco (1987) and in Punta del Este (1988) were the subject of more specific actions at this summit. Although certainly still far from adequate, these actions could bring Latin America a little bit closer to the developed world.

The instructions contained in the "Ica Declaration" were summed up in a joint communique read by Peruvian Foreign Minister Guillermo Larco Cox at the closing ceremony of the 2d and last day of this summit.

The presidents expressed their "satisfaction at the imminent resumption of negotiations between Argentina and the United Kingdom" over the Malvinas Islands, and noted that the Madrid meeting "will promote the objective of declaring the South Atlantic a zone of peace and cooperation. We also reiterate our support for the legitimate sovereignty rights of the Republic of Argentina."

Another objective is "to modernize communications and transportation through increased competitiveness," and to take advantage of "our capacity for joint action, our regulation systems, and to promote a similar position in international forums concerning negotiations on services."

In this regard, the respective communications and transportation ministers were instructed to meet in Rio de Janeiro in no later than 60 days to conclude agreements, especially on new technologies and satellite systems, and to examine proposals on telecommunications and transportation systems.

Finance, economy, and foreign ministers will also meet on 5-6 December, in this case in Buenos Aires, to draft a proposal for integration.

It has been proposed that "substantial progress" be made in the following areas: The reduction of quantitative restrictions imposed on each commodity through custom duties, a generalized reduction of duties at an adequate pace; the removal of physical obstacles to integration, especially in the area of communications and transportation; the reconciliation of macroeconomic policies, the identification of specific proposals for complementary economic action; and joint programs for scientific, technological cooperation.

Regarding Panama, where "the lack of democracy and human rights violations" still persist, "it has been decided to ratify the earlier suspension of the current regime from attending group meetings." "The suspension will be reviewed only if the respect for democratic guarantees, which are today absolutely ignored, is restored."

The fight against the drug trade will be waged "with every means available," and we commit ourselves to "implementing policies and methods designed to strengthen our action against this problem," and to promoting the "prompt enforcement" of the UN convention against addictive drugs [psicofarmacos].

The declaration condemns "the criminal violence that is linked to the illegal trafficking of drugs," which "endangers the stability of democratic systems," and it supports the call for a special UN General Assembly session on the topic.

It adds that terrorism "is a systematic and deliberate violation of human rights" and "a threat to peace and security, and it affects the normal function of relations between nations."

The document urges that "efficient measures and controls" be adopted "to put a stop to the clandestine traffic of arms." It supports "the political desire for dialogue and reconciliation that has emerged since the Central American summit," and it ratifies "our conviction in a Latin American solution for the crisis."

With this purpose in mind it supports and encourages the creation of international observer groups within the OAS and the United Nations.

Foreign indebtedness, "one of the most serious problems that our region is facing," requires "achieving healthy and continuous economic growth through political, fiscal, monetary, and external means, and through the struggle against inflation."

"The transfer of net resources for the service of the public foreign debt must be compatible with the fiscal situation of the economy of each country in order to avoid fueling of inflation in the continent's countries," the document adds.

It warns that "the initiatives to reduce the foreign debt and its servicing must be applied without discrimination to the countries that need them," and "the continuous availability of financing for economic and social development must be guaranteed."

In another paragraph, the document adds that "Latin American integration is the political purpose and fundamental objective of the economic strategy of the region's countries," and it continues, stating: "In order to advance in that direction we must update frameworks and consider options, not only in the sphere of trade, but also in other spheres such as telecommunications and transport, scientific and technological cooperation, and in the cultural sphere."

Regarding the cultural sphere, the document reaffirms the commitment of "preserving, enriching, and disseminating our cultures in order to strengthen the awareness of their collective identities and cultural diversification."

The free circulation of cultural assets and services, the implementation of actions to develop cultural programs, scholarship programs for artistic and professional training are some of the specific actions that will be implemented in this sphere.

Finally, it indicates that the presidents have agreed to meet in Venezuela during the last 6 months of 1990.

Communique Issued on Declaration

PY1310044289 Lima Television Peruana in Spanish 0229 CMT 13 Oct 89

[Text of joint communique on the Ica Declaration read by Peruvian Foreign Minister Guillermo Larco Cox at closing ceremony of the third presidential summit of the Group of Eight in Ica, Peru—recorded]

[Text] The chiefs of state of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela who met in Ica, Peru, on 11-12 October 1989 to hold the third presidential summit of the Permanent Mechanism for Consultations and Political Agreements have approved the following communique:

International Political and Economic Situation

Three years ago we met in Acapulco to create the Group of Eight. The world situation today is quite different from the one then plagued by clashes, international conflicts, and a Central America at the brink of violent interventions. We currently foresee with great relief a climate of relaxation and the prospects of a long period of peace for humankind. The United States and Soviet Union have reached agreements; troops are withdrawing from Afghanistan; effective peace-seeking negotiations are underway in Namibia, Angola, and all of Southern Africa. Unfortunately, the apartheid regime remains intact. Central America is heading toward the lessening of tensions and a search for solutions. Our mechanisms such as Contadora, Cartagena, and the Rio de Janeiro Group have closely followed the problems and have created the necessary conditions for negotiations. A new climate prevails in the world. We hope that this climate will reach Latin America. The foreign debt problem is making very slow progress, increasingly jeopardizing our development and well-being. All proposed solutions have failed. Latin America has retrogressed and our current GDP per capita is less than that in 1980. The group has developed diplomacy at a presidential level; it has strengthened and supported democracy, has prevented conflicts, and has promoted integration policies. Today it is a strong mechanism capable of making decisions.

Democracy and Development in Latin America

Historically speaking and in keeping with their national situation, our people—who share a common desire for unity, development, and solidarity—have struggled to achieve and consolidate democratic government systems that are increasingly equitable and capable of satisfying their political, social, and economic demands. Latin American democracy, in this regard, has promoted social change and the integration of large sectors of the population into the respective political processes. Therefore, we intend to strengthen the institutional development of democracy based on respect for the peoples' sovereign will in order to promote social justice and human rights in all aspects. In this regard, we acknowledge the progress in Paraguay and Chile. Unfortunately the problem in Panama persists. There is no democracy and human rights continue to be violated. In view of these circumstances, we have decided to confirm the suspension of Panama's current regime from the group's debate. The situation will only be reviewed if respect for democratic guarantees, currently fully ignored, is restored. This indefinite suspension from the meetings is based on the charges of the increasing violation of political and human rights in that country. In view of this the OAS will be asked to request that the Inter-American Human Rights Commission investigate these charges. It has also been agreed to declare that respect for international law and the nonintervention principle entails the strict fulfillment of the Torrijos-Carter Treaty on the Panama Canal.

Security Matters

Drug trafficking and abuse: We reiterate our firm determination to struggle with all available resources against drug trafficking and abuse. We promise to draw up policies and methods designed to strengthen our actions against this problem within the respect of national sovereignties.

Terrorism: We once again condemn terrorism. Terrorism represents a systematic, deliberate violation of human rights, a threat to the stability of the democratic system, and the cause of deaths and serious property damage.

Central America

We voice our satisfaction over the results of the meeting of Central American presidents held in Tela, Honduras, which contributes to consolidating the process designed to establish a strong and durable peace for the Central American region. We specially appreciate and support the political will for dialogue and reconciliation expressed during the Central American summit and the efforts designed to make effective the agreements signed.

Foreign Debt and Trade

Latin America's indebtedness continues to be one of the most serious problems facing our region. Its effects, regarding the serious social, political, and economic decay, appear with a frightening recurrence that demands a prompt and urgent solution. This, in particular, requires that the governments of the developed countries continue the efforts started by some of them and that they promote fiscal and regulatory measures that will allow banks to participate in the programs to reduce the debts and their servicing without unduly stopping the flow of new resources.

It has also become absolutely necessary to provide the debtor countries with a sufficient volume of resources from multilateral organizations and bilateral sources to build up, repurchase and guarantee funds to implement restructuring programs and agreements at significantly reduced rates. In this regard, it is particularly important to

markedly update contributions to the IMF in order to strengthen it financially. Recent negotiations represent a first breakthrough in the debt problem. Yet, a durable solution can only be achieved within a political approach based on the principle of shared responsibility that could lead to a substantial reduction of the debt and its servicing in accordance with its value on the secondary market, each country's ability to pay, and its development need.

Intra-Latin American Debt

On the basis of the guidelines and mechanisms agreed upon to address the intra-Latin American public debt at a meeting of finance ministers held in December 1988, we have decided to promote a new voluntary negotiating procedure between creditors and debtors that would enable us to implement innovative mechanisms that can create conditions to allow the debtors to meet their commitments.

International Trade

The link existing between debt and trade must be recognized in the negotiations to reduce the debt and its servicing as well as in negotiations to increase international trade. There will be no solution to the foreign debt that is besieging our economies if we do not expand our exports.

Regional Integration

Regional integration is a political goal and the fundamental objective in the economic strategy of countries of the region. To move in this direction, we must update our systems and consider options, not only in the commercial area, but also in other areas, such as in telecommunications and transportation, scientific and technological cooperation, and culture. We have instructed our foreign, economy and finance, and planning ministers to hold a meeting in Argentina on 4-5 December to prepare for our countries a draft integration programs that would enable us to make a substantial progress before 1992 in the following areas: The reduction of quantitative restrictions imposed on each commodity through custom duties, a generalized reduction of duties at an adequate pace; the removal of physical obstacles to integration, especially in the area of communications and transportation; the reconciliation of initiatives currently underway; the gradual reconciliation of macroeconomic policies; the identification of specific proposals for complementary economic action; and joint programs for scientific and technological cooperation.

Communications and Transportation

Modernizing communications and transportation is a key objective to promote integration and to improve our competitiveness. We have agreed that in no more than 60 days, our communications and transport ministers and secretaries will meet in Rio de Janeiro, Brazil, to examine and improve agreements on communications and transportation based on the preparatory meeting held in Mexico, and to examine proposals concerning telecommunications and transportation systems that could further promote integration among member countries of the mechanism in these areas. These proposals should be designed to expand and to coordinate air services and to improve maritime and river services, keeping in mind the interests of all member countries of the mechanism.

Cultural Integration

We hereby reaffirm our commitment to make a concerted effort to preserve, enrich, and disseminate our cultural values and to strengthen awareness of our collective identity and cultural diversity. We will create houses of Latin American culture and in no more than 1 year we will eliminate duties that restrict the free circulation of books among our countries. We will also seek to reduce transportation costs to facilitate this free circulation. We have instructed our culture, or the respective ministers to implement the cultural program for integration they drafted in Caracas in September 1989.

Environment

We reiterated our concern for the worldwide deterioration of the environment. We also state our firm decision to continue to adopt measures within our reach to restore and to steadily preserve it. This alarming deterioration can primarily be blamed on the development models and consumption patterns prevailing in developed countries. Assuming their responsibility, these countries should massively contribute to reverse those processes that are threatening the environmental balance on earth. In our region, the deterioration of the environment is closely linked to poverty and underdevelopment.

Situation in the South Atlantic

We hereby express our satisfaction at the imminent resumption of negotiations between Argentina and the United Kingdom, which will promote the objective of declaring the South Atlantic a zone of peace and cooperation. We also state our support of the legitimate sovereignty rights of the Republic of Argentina.

The OAS

To enable the OAS to enjoy full representation and, therefore, greater political significance, we cordially call upon the Governments of Belize, Canada, Cuba, and Guyana to join the OAS work. We condemn every form of colonialism in Latin America.

Seat of the Next Meeting

We have agreed to meet in Venezuela during the 2d half of 1990. We hereby endorse the declaration drafted in Trujillo by our foreign ministers which set the ground rules for this communique.

The presidents of Argentina, Brazil, Colombia, Mexico, Uruguay, and Venezuela hereby express our sincere gratitude to the government and people of Peru for their warm hospitality during the third summit of the Permanent Mechanism of Consultation and Political Agreement. [applause]

Cuba

Group of Eight Invites Nation To Join OAS

FL1310014589 Havana Television Service in Spanish 0100 GMT 13 Oct 89

[Text] A last-minute report from PRENSA LATINA indicates that the Group of Eight today invited Cuba to join the OAS. A similar invitation was extended to Belize, Canada, and Guyana, nations of this hemisphere that also are not members of the OAS.

* Hungarian Dailies Criticize Castro, GRANMA

* Castro Speech Criticized

32480220a Budapest MAGYAR HIRLAP in Hungarian 4 Aug 89 p 3

[Article by Viktor Palfi: "Castroika"]

[Text] For many years nothing clouded the relationship between Cuba and the European socialist countries. A while ago, however, the first "fleecy clouds" appeared and some arguments are developing between us. In and of itself this would present no problem, since we long ago overcame the illusion of a "monolithic unit" which we once pursued. We mutually recognize that all communist and workers parties are held accountable primarily by their own nations, and that each party formulates its own policies independently. Since the "mandatory model" for constructive socialist work no longer exists, we more or less refrain from "lecturing" each other. But this can be maintained only on the basis of mutual agreement, of course.

Fidel Castro's views in this regard may be different. Recently he has repeatedly criticized the policies and practices of several countries belonging to the socialist community. Most recently he expressed his concerns about Hungarian and Polish developments in a speech delivered on Cuba's national holiday last week. Socialism is threatened in these two countries, and the possibility of the return of capitalism exists, according to Castro. "I do not wish for the new generations in Hungary and Poland to become familiar with the brutality, selfishness and dehumanizing substance of capitalism," Castro warned. He also called attention to the fact that President Bush's visit to East Europe was a "triumphant trip in a euphoric mood, organized to recruit advocates for capitalist ideals." Based on this statement one could conclude that because, quite naturally, the trip Castro mentioned was organized with the participation of both governments, these governments conspired with American imperialism behind the backs of their people....

This was not the first expression of disapproval by Fidel Castro toward East Europe. At the time of the Seoul Olympics he announced: "I can imagine how much pain the socialist countries caused to the friendly people of Korea by sending their athletes to Seoul. This process was ugly, to put it mildly. Moreover, it was not honorable to participate in Olympic Games like this one. We should not abandon our brothers, and we should not forget about our friends."

Let us disregard Castro's emotional words and let us not argue whether it was appropriate to participate in the Seoul Olympics. Every sovereign country had the right to make independent decisions, and so did Cuba when it decided to stay away. The fact is, however, that neither at that time, nor since then has anyone in the European socialist countries criticized Cuba for its decision. It would have been a shame to make an "issue of principle" out of this, although Castro wanted to make it such an issue. If Cuba depended on its absence from Seoul to demonstrate that, using Castro's words, Cuba "is a sovereign, free, and a very free country which makes decisions on its own," then, perhaps, it was worthwhile.

A more serious issue arises by virtue of the fact that from the beginning, Havana has shown suspicion toward Gorbachev's perestroyka and the reform movements of East Europe. They suggest to us that we study Che Guevara's economic theory more carefully. The legendary "Che" was romantic not only as a revolutionary. He proved himself to be a romantic also as an economist. He was radically opposed to the idea of utilizing the rules of the capitalist economy in the course of socialist construction, and expressed a preference for revolutionary consciousness rather than for financial incentives. This is how socialism is being built in Cuba. Its present phase is called "rectification" in Cuba, but it was given the name "castroika" by Western commentators. Incidentally, rectification aims for the liquidation of market elements "smuggled" into economic management in the early 1980's by since dismissed economists. Nevertheless the model which may appear so attractive when viewed with revolutionary zeal, cannot hide its less attractive shortcomings from the objective eye, among which we find the characteristics of shortages, a coupon system, and the paralysis of creative economic thought.

Despite this fact Castro recently confirmed that Cuba will not deviate in the future from the "camino correcto," i.e. the "proper path." To do so is Cuba's inherent right, but this determined march has one distinguishing characteristic. Namely, that thus far all this was made possible by massive Soviet aid. According to Western estimates the Cuban construction of socialism with these methods cost the Soviet Union at least $4.5 billion a year. Among other matters this adds up by shipping 13 million tons of crude oil to the "red island" at half the world market price, while Cuba re-exports a quarter of that volume for hard currency. At the same time the Soviet Union imports significant quantities of Cuban sugar at multiples of the world market price. More than 80 percent of Cuban imports originates from socialist countries, and the slightest obstacle to deliveries becomes a huge hump on the proper path of the revolutionary march. A tiny example illustrates this: in late July the more than 300 bakeries and pizzerias of Havana were forced to close, or to operate at half capacity leaving

the inhabitants of the capital mostly without bread for three days, because the shipment of 2,000 tons of Soviet flour and wheat did not arrive on time. Perhaps, also elsewhere it would be possible to feed the people with someone else's bread, and to build socialism on someone else's account....

Insofar as the Cuban critique addressed to Hungary is concerned, we take the liberty to note that there is a lot to be concerned about in the Latin American island country. The spectacular narcotics smuggling trial of General Ochoa and his associates, the dismissal and arrest of the Minister of the Interior, the purging of police ranks, and the increasing number of "boat people" who escape in dingies from the island: all these facts do not contribute to the glory of the Latin American rampart of "realistic socialism." After all this, what should we say to the magnanimous statement in Castro's speech, according to which "each country has the right to decide which path of socialism it follows"? All we can say it this: thank you, that's exactly what we are doing.

* GRANMA Criticized

32480220a Budapest MAGYAR NEMZET in Hungarian 14 Aug 89 p 2

[Article by Tibor Varkonyi: "The GRANMA Phenomenon"]

[Text] We do not go back on our word. We promised not to argue with the GRANMA article which engaged in a debate over an article presented in MAGYAR NEMZET, because we had no intention of adopting their tone of voice. Particularly not after we printed the attack in its full length on Thursday. After that there could be no need for discourse, because the reader himself could make a judgment. The reader had an opportunity to distinguish between argumentative reasoning and blind emotion. The use of extreme adjectives regarding facts is a method never used by MAGYAR NEMZET, and at this time it has even less need to do so.

We do not argue for another reason as well. However odd it appears, GRANMA stuck to the agreement we reached. We could also say: they acted properly. A few months ago, objecting to one of our articles we were visited by the Cuban press attache with whom we reached a friendly agreement. We explained to him that the Hungarian press was working in a different atmosphere than before, no one tells the press what to write. Consequently, commentaries reflect the authors' personal views, but if the editorial office disagreed with those views, that disagreement would be shown. If, on the other hand, someone did not like those views, he may respond, just as Hungary does not become offended when others criticize our internal development. Moreover, we will be first to provide space for such views as a matter of information, and it so happened that about two weeks ago we presented Fidel Castro's speech on the first page, even though his remarks about our conditions were not exactly flattering. In the same vein, the other day we printed a PRAVDA report from Budapest without comment, knowing that in a manner similar to the Hungarian practice that report did not necessarily reflect the position of the entire editorial board, although it is possible that it reflected the views of some leading editors. After all, PRAVDA had previously quite harshly criticized Gorbachev's perestroika and glasnost. There are other newspapers in the Soviet Union which have different views, although doubtless, one cannot neglect to recognize that PRAVDA is the newspaper of the Communist Party of the Soviet Union [CPSU] and thus the positions it takes carry a different weight.

Even if GRANMA had not attacked MAGYAR NEMZET, it would be timely to deal with the changed conditions of the socialist press. The Cuban party newspaper said that what we wrote about them might as well have appeared in Miami "in the most hideous pamphlet published by counterrevolutionaries residing there." Exactly 20 years ago, in 1969 this paper published a series of reports about Romania of those days. Consistent with the spirit of the times, the articles did not contain open criticism, only modestly did we indicate that the practice in Bucharest was substantially different from Hungarian circumstances and from the policies of some other socialist countries. The Hungarian ambassador was instantly summoned to the headquarters of the Romanian Communist Party, then to the foreign ministry. They registered their protest in the strongest terms against factual reporting.

This was not the end, however. At an embassy meeting, with a glass in his hand, coincidence brought together the author of the reports and the counselor of the Romanian Embassy. The then French ambassador witnessed the entire conversation. The [following] remark was meant for the Western diplomat, not for the reporter. "You know, Mr Ambassador," the counselor said, "Monsieur ... the way he wrote in his newspaper could be the envy of our worst enemies. And that's nothing yet. When I went to the Hungarian foreign ministry and to party headquarters to register my protest, they told me that this was not the official Hungarian view, and that it was the reporter's individual opinion. Can you understand this?" "Of course I do," the French ambassador replied with a mischievous, polite smile, "it seems that the freedom of the press is perceived differently in Romania and in Budapest." Within moments the counselor quietly disappeared.

This episode is interesting because in those days a definite practice was in force, to be followed by the press. The leadership constantly whipped the newspapers by saying that they provide detailed reports about every British, Italian or West German phenomenon, but news concerning socialist neighbors is scarce, if there is any. The memorable remarks of the then Central Committee secretary came to mind: "If I listen to the radio while shaving in the morning, I am not curious about events in London or in Paris, the events in Prague and Berlin are much more interesting." This grumbling brought results, because thereafter virtually every day at six in the

morning Radio Kossuth began its program this way: "According to a report by the BTA, the Bulgarian work competition movement achieved new shining results." And so on, from Monday through Sunday....

It was at that time that a decision was reached at the highest level of international reconciliation that one may not only praise the phenomena which present themselves at our "brothers," but instead some negative aspects may be also discussed. But caution! The limit to this is where each country's own newspaper would discuss its own peculiar problems. This is the maximum. Thereafter commentators at home, as well as freelance reporters and of course also the regular ones began to review articles diligently. The fundamental political line was good, but here and there bureaucracy distorted the practice. As a result, the examples supported the local party newspapers by using direct quotes, presented carefully and accurately in quotation marks. The decision was enforced conscientiously. But to everyone's satisfaction? By far not. Protests arrived one after another: why reporters chose to quote this segment and not another? After all, if they were conscientious in their work, they would have noticed that those whom they cited represent at most 10 percent of the paper they named, while with respect to the positive aspects, the results constitute 90 percent, but they make their selections intentionally. In other words: the reporters were distorting the facts. They requested urgent corrections.

This is how decades passed. We are not on the defensive if we mention the fact that press management and editorial offices were at constant odds with each other. At official meetings and in private conversations reporters who noticed the trouble spoke up. It will not be good this way. Concerns were on the increase, and if suddenly one faces crisis, public opinion will be unprepared, although not really, because public opinion is aware of reality, it has other sources for news, and the word has lost credibility. It was under such circumstances that the early 1980's arrived: the Polish quake, but even that was not enough for the weighing of measured credibility. Although I must frankly state that it was the Warsaw leadership which manifested the greatest calm in reading reports, even in those days. Instead of protests, admonitions and dour summons, they thanked the reporter for his objective report of the events whenever he was invited to the Polish embassy. But this was not the general practice.

And as the GRANMA article proves, nor is this the practice today. We could cite other examples, some of the most recent ones. The Dubcek interview on television, the statement of former Romanian King Michael; how one or another report creates diplomatic complications. This phenomenon is not new. Ever since the world has existed, despite often friendly relations diplomats and journalist had been at war with each other. In virtually any political system. Their information sources are different, and so is their profession, and their interests will necessarily clash. Except for the fact that the practice of most recent years brought about a substantial change in this regard. Wherever openness and democracy prevail, the two complement each other. At least the two can peacefully coexist. Among other matters this is reflected in the spirit and the letter of the Helsinki Closing Document when it talks about the free flow of people and ideals, that certain third basket. The trouble occurs in places where this is not yet needed, where they envision unpleasant things, some necessary evil in these words and try to circumvent and to frustrate these words.

Doubtless there is an unwritten rule to which every journalist is obligated to subject himself. This is the fundamental national and international interest of the journalist's country. The journalist can do nothing that could harm his country, and he cannot go counter to the main diplomatic goals of his country. This [limitation] does not infringe on his independence or freedom to formulate his own opinion, this is his duty as a citizen, like that of any other citizen. They recognize this fact both in the West and in the East. The famous Quai d'Orsay consults leading journalists virtually every day, and shares with journalists its concerns and goals. And everyone abides by it. It is another matter that one may take issue with the foreign minister's daily activities, or may criticize certain steps taken by the foreign minister. But the international public interest represents a command. In the midst of the diverse commercial and credit conditions of our complex world, when terrorism puts lives at risk and when conflicting interests prevail, not a single pen could be sufficiently sovereign not to consider national requirements. Toughness is no virtue, originality has no merit, sensations can backfire.

Concerns begin to crop up only when the state tries to transform its own outmoded practice into a general rule, without regard to changing conditions. When it does not believe that in Hungary for instance the days of stalinist methods are bygone, that they cannot pass the word to editorial offices, and what appears in a newspaper does not necessarily reflect official policy and diplomacy. A journalist can be an independent thinker, his pen is not going to be guided, not even if it so happens that on the masthead of his newspaper the name of an organization or a movement appears. This applies to both domestic and foreign policy. It is the reporter's sovereign right to choose from among his sources. There could be different views in this regard, but there are a few newspapers—among others THE INTERNATIONAL HERALD TRIBUNE, THE TIMES, LE MONDE, EL PAIS, and even DIARIO 16—whose commentary could be argued, nevertheless to assume their malice from the outset is not justified. They have enough decency to correct themselves if they erred in regard to facts. And aside from that, by now journalists possess sufficient self-restraint not to attribute to themselves the origins of social and political change. The world moves pursuant to its internal rules, it is the journalist's job to report faithfully, and to inform. Never before had Madach's words in The Tragedy of Man have more meaning: "Dawn arrives not in response to the rooster's call. The rooster crows because it dawns."

* GRANMA Responds to Hungarian Criticism

32480221a Havana GRANMA in Spanish 18, 19 Aug 89

[Article by Felix Pita Astudillo: "A Disgraceful Path"; 2-part series]

[18 Aug 89, p 6]

[Text] Hungarian journalists are up to their old anti-Cuban tricks.

One of them is Gabor Nagy, who writes for MAGYAR NEMZET and whose slanderous article prompted the response entitled "Trafficker in Insults" that we published in GRANMA last 3 August. Nagy and MAGYAR NEMZET are now attempting a counterresponse through an anonymous spokesman. Since they find this insufficient, they have published our article and then sought the assistance of another member of NEMZET, Tibor Varkonyi, who responds with an article entitled "The GRANMA Phenomenon."

Another is Victor Palfi, who in MAGYAR HIRLAP, the Hungarian Government's organ, tries to respond to Fidel's remarks on 26 July about events in Hungary and Poland.

The two have features in common. Nagy and Palfi both traffic in insults. The duo also resorts tiresomely to the data, reasoning, and even language of the Western capitalist press. Tibor singles out GRANMA as a "phenomenon," whose meaning in Spanish (and, we assume, in Hungarian too) has been and is anything "surprising, outstanding, monstrous, or extraordinary." Tibor's description is not inaccurate. His article tries to show that Gabor Nagy's attacks on Cuba (and those that may be yet to come) are part of the new rules of the game, because "the Hungarian press is operating in a different climate than before" and, therefore, we Cuban journalists are the ones following archaic ground rules.

By drawing upon the West's one-sided sources, both Gabor Nagy and Victor Palfi are exhibiting the same lack of scruples. By theorizing and justifying their method, Tibor Varkonyi is unfurling the same banner.

I am talking about professional ethics, although this concept seems to be of absolutely no concern to the Hungarian newsmen. Tibor even claims that "it is the sovereign right of a reporter to choose among his sources" so as to "provide accurate news and to report" on what is happening in the world. Oddly, Tibor offers a sampling of sources from which to choose, and all of them are Western and defend the values and mode of production of that world.

What is more, he mentions by name THE HERALD TRIBUNE, THE TIMES, LE MONDE, EL PAIS, and DIARIO 16 and takes it for granted that these papers defend no social order, that they are impartial observers in the struggle between ideas, and that "it is not justified to assume from the outset that they are ill-intentioned." At most, he says, some of their judgments and commentaries may be questioned.

Such candor and lack of ideology are surprising because Tibor Varkonyi knows perfectly well that neither Nagy nor Palfi used a single Cuban or socialist source. And the trial of the Ochoa-La Guardia group was given unequaled coverage by the Cuban press, sufficient to ask why the NEMZET article chose Western reporting exclusively. The same goes for Palfi, whose article in HIRLAP turned to "Western estimates" even on such socialist issues as trade between the CEMA [Council for Mutual Economic Assistance] countries and Cuba.

They do not even hide their pigheaded insistence on ignoring the East and turning their eyes solely to the West. On the contrary. They boast that their source of information, their market for news is one-sided.

Let's take a look at Gabor Nagy's article of 4 August, which was widely quoted by the Hungarian media, distributed by the MTI news agency, and also published by NEPSZABADSAG, the official organ of the Hungarian Socialist Workers Party (MSZMP).

The article mentions what it describes as a "violent attack" published in GRANMA.

Outrageous. Worthy of Ripley.

Gabor Nagy, who has attacked Cuba to the point of insult, who has said that "Che" Guevara and Salvador Allende planned to set up a drug trafficking ring in 1961, and who claimed that Cuban internationalists are drug addicts and AIDS sufferers, suddenly declares himself to be a victim of a violent attack "the tone and content of which prevent a real debate."

It is, after all, an intelligent decision for Nagy and NEMZET to avoid controversy. They have no arguments. It bears clarifying at this point, of course, that Nagy's article is not the first such attack on Cuba. There have been previous ones in the Hungarian press, and perhaps they merit a response on another occasion.

In spite of its declared intention not to engage in controversy, the article does. It mentions that NOVEDADES DE MOSCU and SPUTNIK are no longer sold in Cuba and then combines the sovereign decision of the Communist Party of Cuba with Nagy's offensive article to conclude that "not only the Hungarian press but the Soviet press as well" have caused "an anger that is incomprehensible and difficult to explain" in Havana.

If NEMZET finds GRANMA's reaction incomprehensible and difficult to explain, then it would be best to close the case on the ethical considerations and principles that ought to govern relations between revolutionary parties and States. NEMZET proposes the law of the jungle: insults without limits or scruples would, according to this logic, become a natural and daily practice.

If it is up to us, they will remain disappointed. Neither in the official organ of the party nor in any other Cuban publication will our journalists allow themselves to talk about Hungary, its people, institutions, or leaders in the offensive terms that Gabor Nagy has used against Cuba. A very deep-rooted sense of decency prevents us from so doing.

Lastly, the NEMZET article tries to explain what it calls "Havana's irritation." Attributing supranational faculties to itself, it asserts that what irritates GRANMA is the fact that "Moscow, Warsaw, and Budapest have taken the path of creating a law-governed State" and that this is "the path of democracy, under the conditions of socialism, that respects the freedom of peoples and human rights."

It is surprising that NEMZET of Hungary should be speaking on behalf of Soviets and Poles, who, as far as we know, have not embraced the Hungarian paper's theoretical ravings. As far as my knowledge of Central European geography goes, there is no basis for such territorial designs.

Moreover, they say, this is the path towards creating a law-governed State, and if it irritates Havana, it must be because interests are at odds. In a word, we here on this Caribbean island are living in a spurious and illegal "de facto State." If this is the meaning of their insinuation, then Eurocentrism is seeping through their every pore: anyone who does not follow my recipe of "mercantile socialism," as they themselves call it, is on the wrong path.

To speak for other independent States or to assume that the Eurocentrist prescription is universally valid smacks of the self-righteousness of the old days in which a center of power dictated to everyone else.

As for the argument that the much-talked about path towards a law-governed State "respects the freedom of peoples and human rights," it is not even original. May MAGYAR NEMZET forgive me, but former Batista policeman Armando Valladares has already used this business of freedom and human rights against Cuba.

Something should also be said about Tibor Varkonyi's disquisition on the new times and the new ideas that ought to and do govern socialist journalism.

"The GRANMA Phenomenon" was published on 14 August, in other words, after NEMZET reprinted our article "Trafficker in Insults." Tibor, who comes to Gabor's aid, rules out the possibility of a controversy because "readers have had the chance to differentiate between the arguments of reason and blind impulse."

In other words, we are, a priori, unqualified to debate, because the "rational" Gabor Nagy, with his pile of insults, cannot cope with the "blind impulse" of GRANMA, which was merely defending the honor of its fellow citizens.

Tibor would have us see that things have "changed essentially because of the practice of recent years when an open-door policy and democracy are asserting themselves." Given this state of affairs, he infers, there is no reason to become alarmed when a socialist organ or a journalist writing for it criticizes or denounces developments in a neighbor's backyard.

He seems to contradict himself, however. He asserts categorically that there is an unwritten rule by which every journalist must abide.

"This is," he says, "his country's national and international interest." It is his duty as just another citizen.

I concur with this assertion of Tibor's. I think that Gabor Nagy did not take Hungary's international relations into consideration when he railed in the harshest terms against the Cuban people and their leaders. Likewise, what prompted me to respond to these insults was the crude attack on Cuba's national interest.

In the following paragraph, however, Tibor Varkonyi again contradicts himself. He says that "a journalist can be an independent thinker" and that his pen cannot accept restrictions even if he writes for a publication that represents a movement or organization. "This is valid," he says, "both for domestic and foreign policy." Where do we stand then? And what about the unwritten law of national and international interest?

I would like to call attention to one fact. Gabor Nagy's first article started this exchange. An anonymous mouthpiece of NEMZET, not Nagy, replied to GRANMA on 4 August. When the paper published new material, on the 14th, Tibor, not Gabor, was the columnist.

Unless Nagy has suddenly fallen ill, we might think, as we suggested in our first article, that Gabor Nagy is perhaps a pseudonym. Friendly sources in Hungary have suggested as much and that there is no such man as Nagy. I do not question this practice, but if this were the case, we would be faced with a different fact: we would no longer be dealing with an "independent thinker," in Tibor's words, but a disguised editorial judgment by the paper.

In the face of this hypothesis, I can only say that we Cubans would never wear a mask in talking about a socialist country and its chief of state.

[19 Aug 89, p 6]

[Text] Victor Palfi's article in MAGYAR HIRLAP is a carbon copy of his previous one. Palfi does more than just cite Western sources; he engages in a far from enviable exercise of ideological mimicry, bowing and scraping, and mediocrity.

His article borrows expressions straight from the press that is Cuba's enemy and uses them with the utmost irresponsibility. To Palfi, Cuba is the "Red Island," those who try to emigrate clandestinely are "Boat People," and so on.

At times I wonder with whom I am arguing. The self-anointed Palfi becomes carried away with the substance,

the form, and even the phrases coined by the anti-Cuban press. One would say that he has joyfully received the sacraments of the West. Am I addressing a journalist with MAGYAR HIRLAP or a Hungarian-language repeating station of Radio Free Europe?

Everyone has his ethics. Ours are not his.

Let us have a look at Victor Palfi's first article.

At its outset Palfi's article distorts the facts. He claims that Fidel's speech on the 26th, in its references to events in Poland and Hungary, was an attempt to "give lessons" to others.

"In Castro's opinion," he adds, "socialism is in danger in those two countries, and there is the possibility of a return to capitalism."

"He also called attention to the fact," the writer says, "that President Bush's visit to Eastern Europe was a triumphal march, in an atmosphere of euphoria, that was organized to recruit supporters of capitalist ideas. We could perhaps draw the conclusion from all this, bearing in mind that the governments of these two countries were also involved in organizing the visit, that they have allied with American imperialism behind the backs of their peoples."

Palfi is crudely twisting Fidel's words and even inventing things that he did not say.

In his speech the commander in chief mentioned a universally acknowledged fact. The revolutionary movement, the socialist movement is having problems. And this could have adverse effects on Cuba, which for many years has been a trading partner of these countries.

But Fidel's words and "giving lessons" are poles apart. If there is any lesson that he is giving, it is one of respect for and noninterference in what others may be doing. Regarding the electoral gains of the antisocialist opposition in Poland and Hungary, Fidel says, and I quote:

"What sort of developments are we witnessing? Perhaps a peaceful shift from socialism to capitalism in those countries? That is possible. We do not criticize this. We defend the sacred right of each country and of each party to be independent."

Fidel did talk about the euphoria and the triumphant tour that Bush organized through Poland and Hungary, as he did about the ideological premises of the U.S. administration, which is predicting the twilight and end of socialism worldwide. And he added that it was as a result of the difficulties in those countries that George Bush scheduled his trip there:

"It is true that there are difficulties there, and he did not go to those countries because he felt like it. He went to foster the capitalist trends that are developing there."

So, if newsman Palfi wants to speculate and draw the conclusion that the Hungarian Government, as Bush's host, has allied with imperialism behind the backs of its people...that is Victor Palfi's conclusion, one that is not even remotely to be found in Fidel Castro's words.

What Fidel did assert is that it was Bush's intention to shore up the private sector in Hungary. And American sources have confirmed this. The President would like the U.S. Congress to appropriate $25 million for Hungarian private enterprise. He also said that he dreamed of seeing 100,000 small private businesses in Hungary. If we divide this number into the amount of aid he promised, we come up with a "generous" Yankee contribution of $250 per enterprise.

Regrettably, the publishers of MAGYAR HIRLAP did not take the elementary precaution of checking Palfi's distorted quotes of Fidel against what the Cuban leader actually said.

Further on, Victor Palfi jumps without rhyme or reason to the Seoul Olympics and recalls remarks by Fidel in which he criticized the socialist countries for attending the athletic event in South Korea. The journalist then states that "each sovereign country was entitled to decide this" and that "in the socialist countries no one criticized Castro for staying away."

His vindication of Budapest's presence in Seoul as an act of sovereignty is touching. I would like to know whether staying away from the Los Angeles games in 1984 was also a sovereign decision. Perhaps what Mr Palfi means is that what happened in Los Angeles belongs to another era, for which he takes no responsibility. Could be.

But we Cubans can talk freely about Los Angeles and Seoul, because in both cases we took a stand. And we remained true to ourselves.

By the way, Palfi's devotion to the Olympics is suspect. To convey the impression that they attended out of loyalty to the Baron de Coubertin's ideas is to tell only part of the truth. The fact is that they took advantage of the opportunity to exchange ambassadors with the Seoul regime and to establish diplomatic relations with that government in the near future.

Budapest's sovereign decision was seen in a different light by Korean communists, who at the time, 19 September 1988, published an article entitled "Act of treason against socialism." It appeared in RODONG SINMUN, the organ of the Korean Labor Party, and in describing the decision, said in part:

"This is truly an astonishing, unthinkable action when judged from the standpoint of revolutionaries and of a party of the working class that are struggling for socialism and communism.

"In betraying its long-time socialist friend and in taking the hand of the lackey of imperialism...Hungary has this time abandoned even the elementary position and sense of moral obligation of communists.

"If the socialist countries dance to the tune of the imperialists, as Hungary is doing, thus abandoning their political position to pursue economic gain to excess, they will do irreparable harm to the destiny of their respective peoples and to the common cause of socialism."

What the MAGYAR HIRLAP journalist can rest assured of is that if any noble gesture is remembered in connection with those controversial Olympic games, it will be the one that Cuba made in not legitimizing them with its presence.

Victor Palfi then passes judgment on the process of rectification in Cuba, asserting that it "is incapable of hiding shortcomings that the objective observer finds unattractive, such as shortages, the ration booklet, and the paralysis in creative economic thought."

We do have shortages, Mr Palfi. Perhaps they are proof that we have never run off to submit clean bills of moral health or certificates of good conduct to our neighbor to the north so that we can thus secure favors from the enemy. As a result, besides a legislated blockade that keeps even essential medicines out, we do not enjoy trade preferences, promises of aid, or technology transfers.

His mention of the ration booklet is a reflection of his monumental ignorance or his monumental insensitivity. The booklet places the Cuban people on an equal footing when it comes to commodities, as all citizens are guaranteed access to a decent diet at subsidized prices. It means that Cuba, whose population is very similar to Hungary's, will not see a proliferation of millionaires while 2 and ½ million inhabitants (and these are Hungarian statistics) currently live on the brink of poverty, retirees and large families in particular.

The remark about the "paralysis in creative economic thought" is a joke in bad taste, inasmuch as economic thought in Hungary is in a wheelchair. What sort of creative economic thought could Victor Palfi be talking about? The Hungarian model of mercantile socialism, which copies market economy arrangements, the law of supply and demand, unemployment, social gaps, price increases, and the sale of industrial enterprises to foreign capital? What a shame that he has been beaten to the draw by figures such as Adam Smith, David Ricardo, and even Karl Marx himself, who studied the model like no one else.

As for the Caribbean "creators" to whom Palfi refers, they were, in Marti's words, "weak and frail armchair thinkers" who nearly created an apoplectic economy. If they were experts in anything, it was in "creating" a school of poor imitations, convincing proof of their cultural colonization.

In the last part of his article Palfi emulates his Western colleagues and brings up the false and hackneyed theory of Soviet "subsidies" to Cuba (citing Western figures, of course). Palfi distorts the facts and describes mutually advantageous trade between Cuba and the USSR as a "subsidy." The trade is, of course, between a developed and an underdeveloped socialist country, and thus its terms take Cuba's situation into account.

But the columnist chooses not to analyze this point and merely comments sarcastically that "the proper path" in Cuba is possible "thanks to sizable aid from the USSR."

He then asserts, and I quote:

"Eating someone else's bread and building socialism at another's expense, that is something that they know how to do elsewhere as well."

I do not understand Mr Palfi. Is this self-criticism? Is he looking in the mirror and recalling the many years, from just after the war to date, during which Hungary survived and recovered thanks to the aid and solidarity of the Soviet Union?

Or is he talking about Western loans, which have turned Hungary into a country with an $18 billion debt, the highest per capita debt of any socialist country?

Mr Victor Palfi cannot talk about Cuba and mention someone else's bread and socialism at another's expense. Cuba's revolution is authentic and indigenous. We have not needed the blood of others, only our own, to achieve, maintain, and consolidate revolutionary government. There would be no reason to feel ashamed, of course, if we had needed such solidarity, which we were worthy of; much less would we have renounced it. What is bizarre, not to say immoral, is to attribute this historic debt to others and to endeavor to discredit it in their name.

Cuba will never adopt a shamefaced attitude towards its historic relations with the Soviet Union. Attempts such as Palfi's, which are nothing new, to sow discord will always be futile.

It is true that we receive many things from the Soviet Union and other socialist countries and we accept them not as gifts but for what they are: the expression of internationalist brotherhood and duty. For its part, every year Cuba exports enough sugar, among other items, to the Soviet Union to meet the caloric needs of 20 million Soviets.

Not only does our country produce much of the food that it consumes, but each Cuban grows enough food for four other people somewhere in the world.

But there are other imported items that people like Victor Palfi and others in Hungary could never produce, not because others do not have them available but because ethical and political values (which are the "imported items" I am talking about) cannot be shipped like mere merchandise.

The article in MAGYAR HIRLAP concludes:

"As for Havana's criticisms of Hungary, we would only like to say this. That Latin American country has enough things to worry about. The trial of General Ochoa and his colleagues for drug trafficking, the replacement and

arrest of the interior minister, the purge in police ranks, and the increased number of 'Boat People' fleeing the island, are not sources of pride for the Latin American bastion of 'real socialism.'"

He is wrong this last time as well. The Cuban Revolution is concerned about and deals with these and many other things that the columnist has omitted. And it is dealing in exemplary fashion with some that he does mention, in a bid to root out the foreign bodies that are embedded in the healthy revolutionary organism.

Our position is in no way indulgent. And this determination to control and not be controlled by events is indeed a source of pride for Cuba, because the catalogue of problems on the island is constantly changing, our aim being to perfect society and socialism.

Let Mr Victor Palfi try to roll up his sleeves and tackle the following catalogue of problems in Hungary, so that we can see whether the same sort of political will to eliminate them exists there:

"A massive desertion of activists over the past 2 years (125,000 party activists and a half million young communists have resigned); a widening of social gaps (the logic of the prevailing system creates an elite of millionaires while a fourth of the population lives on the brink of poverty); the need to hold down two or three jobs to survive; the disappearance of jobs as a result of the reform (73,000 jobs will disappear in the Ministry of Industries alone); an infant mortality rate of 17 per 1,000 live births; a decrease in industrial output (down 1.1 percent during the first half of 1989 from the same period last year); prostitution, drugs, pornography, and youth gangs as in capitalist societies."

Are they concerned? Are they dealing with them? Or is this the social ideal that the West is offering them too?

International Radio, Television Meeting Continues

Cuba Denounces TV Marti

FL1310003289 Havana Radio Rebelde Network in Spanish 0002 GMT 13 Oct 89

[From "Exclusivo" program]

[Text] A document that denounces the U.S. Government's project of cultural and ideological aggression, named Tele-Marti [as heard], was presented by Cuba during the final segment of the 30th session of the Radio Programming Commission of the International Radio and Television Organization, OIRT.

Speaking on behalf of the meeting's participants, (Joseph Krokolofski), president of the OIRT radio commission, said that this project is an act of aggression against Cuba. He stressed the necessity of observing international norms in regard to propaganda.

The document says that the project being planned by the U.S. Administration is a dangerous precedence for the capabilities of international organizations and for the equilibrium and sovereignty of Third World nations. The document stresses that Cuba will respond without hesitation to the provocation of the anti-Cuban television station and there will be no yielding to the U.S. policy of blackmail, prepotence, and aggression.

Radio Station Statistics Given

FL1310001389 Havana Radio Progreso Network in Spanish 2330 GMT 12 Oct 89

[Text] Cuban radio provides the population with up to seven options to satisfy its demands, needs, and likes anywhere on the island while its international counterpart, Radio Habana Cuba, broadcasts the principles of the revolution throughout the world in nine languages. This was stated by Josefa Bracero, vice president of the Cuban Institute of Radio and Television, during the 30th session of the radio commission of the International Radio and Television Organization [OIRT] that is meeting in Pinar del Rio.

The national radio broadcasting leader said that there are 55 radio stations in Cuba and together these radio stations cover 99 percent of the nation's territory and broadcast more than 900 hours of programming each day.

Pan-American Sports Organization Begins Meeting

FL1210185689 Havana Tele-Rebelde Network in Spanish 1700 GMT 12 Oct 89

[Text] The 26th general assembly of the Pan-American Sports Organization, PASO, began this morning in the Palace of Conventions in Havana. The opening speech was given Mr Mario Vazquez Rana, leader of the continent's sports organization.

For his part, Jose Ramon Fernandez, president of the committee that is organizing the Pan-American games for 1991 greeted the delegates at the meeting.

Thirty-two delegates representing the 39 member countries of the PASO are attending the meeting which will end Friday.

One of the most important subjects on the meeting's agenda is the report that will be presented by the organizing committee of the 1991 games which will be held in Havana and Santiago de Cuba. Also on the agenda will be the matter of the modification of the PASO statutes.

The minutes of the previous assembly were approved during the opening session.

UN Delegate on International Economic Relations

FL1210231789 Havana Radio Reloj Network in Spanish 2034 GMT 12 Oct 89

[Text] Our country today at the UN General Assembly meeting denounced the deterioration of international

economic relations and the inevitable consequence that this situation causes in the Third World.

Speaking to the Sixth UN Commission on the New International Economic Order, Liana Sanchez Leon, member of the Cuban delegation, said that this sad reality was stressed at the recent summit of the nonaligned countries in Belgrade, Yugoslavia. She said that this growing deterioration is nothing more than the inevitable reflection of the systematic nonfulfillment of the principles and standards that comprise the new international economic order. The Cuban delegate also stressed the need for continued discussions and analyses of the new international order in order to attain its progressive development and immediate application.

Cooperation With Milan Without Formal Accords

FL1310023489 Havana Television Service in Spanish 0100 GMT 13 Oct 89

[Report by Jose Carlos Ortega from Milan, Italy]

[Text] Even though formal agreements have not yet been signed between Milan, capital of the Lombardy region, and Havana City, effective cooperation exists in different areas. This was stressed by Mr (Guliano Lombardo), secretary of the Milan mayor's office. He said that this brotherhood is not only attributed to the donation of the Fiat buses; it is present in the construction of the bakeries in the Cuban capital through the (Farmavenda) firm. This cooperation is also evident in other sectors, such as the pharmaceutical, food, and tourism industries. (Lombardo) said that the views and interests of the mayors' offices in the two cities are being studied so that a friendship agreement can be established between Milan and Havana.

[Begin (Lombardo) recording] I think that the most important thing is to get to know each other well. There is little reciprocal knowledge between the people of Milan and Havana City. It is a matter of knowing who we are, who you are, what problems we have, and what problems you have. [end recording]

Bahamas

Special Appeal Made for Increasing Aid to Haiti

FL1210165589 Bridgetown CANA in English 1448 GMT 12 Oct 89

[Text] United Nations, Oct 12, CANA—The Bahamas, now home for hundreds of Haitian refugees who fled their birthplace to escape grinding poverty, has appealed to international organizations and rich nations to increase their aid to Haiti.

The appeal was made by Bahamas Foreign Minister Charles Carter who told the UN General Assembly that those agencies and nations which had cut off aid to Haiti should restore the assistance because the people of the French-speaking Caribbean republic were engaged in a "valiant struggle to free themselves from centuries of economic and social deprivation." The help was needed at this time too because, he added, Haiti was seeking to build democratic institutions that were vital if greater stability was to be attained. "It is particularly urgent, then, that international organizations and donor countries give support to the aspirations of the Haitian people by restoring and increasing technical and financial assistance to this nation," Carter said.

Broadly speaking, Carter said it was time that the United Nations itself undertake a "direct and comprehensive" study of the plight of millions of people from developing countries who were forced to "risk" their lives in a search for the "bare necessities for survival" in foreign lands. "These people fall between the cracks of the office of the United Nations High Commissioner for Refugees and migrant workers agreements," he added. What was just as bad, if not worse, was that the help provided to political refugees was not available to migrants seeking to escape poverty, Carter said. On top of that, the foreign minister declared, the countries accepting such migrants could not look to the international community for help.

Not only is the Bahamas suggesting that the issues be looked at, but it wants the international development strategy being developed for the fourth UN development decade to provide for some specific "concrete cooperative measures" to aid economic refugees, he added.

Turning to the issue of drug trafficking, Carter threw his country's support behind Jamaica's proposal for a multinational military strike force to help countries fight drug cartels and backed Trinidad and Tobago's plan for an international criminal court to try drug dealers.

At the same time, he repeated a call for a hemisphere summit that would discuss ways in which drug dealing could be curbed, and he offered the Bahamas as the site for such an anti-drug summit. "As a small state systematically victimized by the drug cartels and confronted with the consequences of the traffic and abuse of drugs, I believe the Bahamas is ideally placed as a venue for (a) hemispheric conclave of heads of states," Carter said.

Turning to other matters, the foreign minister urged the United Nations and donor countries to help those Caribbean countries hit last month by Hurricane Hugo.

Trinidad and Tobago

Trintopec Oil Workers Agree To End Strike

FL1210235389 Bridgetown CANA in English 2250 GMT 12 Oct 89

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, Oct 12, CANA—Negotiators announced on Thursday an end to a strike at one of the three state-owned oil installations. Officials of the Oilfields Workers Trade Union (OWTU) said they had reached an agreement with the Trinidad and Tobago

Petroleum Company (Trintopec), the first of the companies to be hit by strike on September 17.

Talks were continuing with the Trinidad Marine Company (Trinmar) and would resume on Friday at the biggest oil firm, the Trinidad and Tobago Oil Company (Trintoc).

Industrial sources said Trintopec workers will receive five percent increases over the next three years, two percent less than the union has asked for, plus other improved benefits. One percent will be for each of the first two years and three percent for the third.

OWTU President General Errol McLeod had told reporters after a marathon meeting of its shop stewards and officers on Wednesday night that although terms of settlement were yet to be signed, the offers made "in principle" by the three companies had satisfied the southern-based union.

"The factor that broke the deadlock is one which I will, I cannot measure in terms of dollars and cents but certainly it relates to the relationships which will exist in the oil industry ... Trintoc in particular," McLeod said. [sentence as received] "We have been able to reassert the importance of the union and the respect that they must have from the management of these companies," he added.

McLeod said the union hoped to come out of talks with a new pension formula—an issue the companies had originally refused to move on. On the other stumbling block of the retail price index linked cost of living allowance (COLA), there had been reportedly little change.

The OWTU cancelled a demonstration planned for the capital, Port of Spain, on Thursday. In another "act of good faith", the union also held back on original plans to serve strike notice on petroleum marketing company, National Petroleum (NP).

Alleged Noriega Associate Charges Police Torture

PA1210172189 Paris AFP in Spanish 0739 GMT 12 Oct 89

[Text] Mexico City, 11 Oct (AFP)—In his preliminary statement to judges today, Mexican businessman Juan Javier Macklis, alleged partner of General Manuel Antonio Noriega in a pharmaceutical company, denied defrauding the Treasury and accused the police of extracting a statement from him as a result of torture.

The alleged partner of Noriega, commander in chief of the Panama Armed Forces, was arrested on Monday on his return from Japan, on charges of having failed to pay $640,000 in taxes.

"I was savagely beaten at the Attorney General's Office and forced to sign a document that I never read. I do not know if it accused me of murdering President Lincoln," the accused said.

Macklis appeared before the judge of the Eastern Prison in this capital with his face covered with his own jacket. He shouted to the press: "I charge $1 million for a photograph."

The accused refused to confirm to the press his alleged relationship with Noriega, saying: "Silence is golden." In addition, neither the judge nor the defense attorney would either confirm or deny Macklis' alleged links to Panama's strongman.

Defense attorney Daniel Diez said: "I do not know if my client has had any relationship with Gen Noriega, or if he has ever gone to Panama."

Macklis is the owner of Milano Laboratories, located in the Mexican city of Tijuana, on the border with the United States. According to Mexican state television, Gen Noriega gave him $800,000 to buy into the firm.

The laboratories, which in addition to evading taxes were processing anabolic steroids of doubtful quality, were closed in April by health authorities.

According to the same source, in 1988 the firm made $5 million in profits, half of which was "hand delivered" to Gen Noriega by Macklis.

The judge in charge of the case said that Macklis is only being charged with tax evasion and that on Saturday it will be learned whether he is to be released or formally indicted.

*** Justification Presented for FPN's Creation**

32480212a Mexico City LA JORNADA in Spanish 6 Sep 89 p 16

[Text of document issued by Promotional Committee of the National Patriotic Front (FPN), 4 September 1989]

[Text] Just as at all crucial times and watersheds in our history, our country now faces grave dangers and ominous threats. Looming on the horizon and clearly underway is a process constituting a veritable counter-revolution. In the name of an alleged "modernization," a series of measures has been adopted that has increasingly turned our country into the exclusive patrimony of an oligarchy and an unarmed tributary of transnational enterprises and systems of domination on an international scale. Nor is it a new phenomenon. A trend first observed several years ago is being consolidated and expanded and now prevails, absolutely and without opposition, on the government scene.

We are witnessing in our territory the establishment of neoliberal, technocratic models so in vogue in the world today, but here they have even gone further. Above all, the privatization of the economy has involved an irresponsible transfer of public holdings. Incorporation into international markets has taken place on the basis of the dismantling of an economy already devastated by the crisis.

Everything is aimed at accentuating enormous social inequalities, while granting further favor to tiny groups and privileged sectors. Little has it mattered that the price is the breakup of the social state, abandonment of our plan for an independent nation, and the disappearance of the achievements and historic conquests of the Mexican people. Side by side with arrogance is a great error in judgment: As in the past, Cananea symbolizes and authentically demonstrates it.

The group in power auctions off public enterprises as if they were its property. It offers up national wealth resources and makes them indiscriminately available to other countries. It dismantles the productive apparatus and stimulates those economic activities that will turn our country into one big assembly plant. It violates and makes free use of judicial procedures, distorting roles and functions more properly belonging to the Armed Forces. By means of pressures, threats, and, on more than one occasion, repression, gains contained in collective contracts are nullified and workers' organizations and the nuclei of people's resistance are destroyed.

In the case of the rescheduling of the foreign debt, an attempt was made to pass off as a great national triumph something that was, strictly speaking, no more than submissive acceptance of the terms and conditions of creditor governments and institutions. In addition to being selective, actions aimed at corruption did not attack a single one of the problems they supposedly targeted. Rather, they appear to be designed to cover up their real nature. Monolithic control of government machinery and the resurgence of control over mass communications media rendered impossible any debate that might have elucidated and viewed those problems in their proper dimensions and scope.

Elections are tainted by the same corrupt practices of yore. A party not in power but rather, in government, acts blatantly and extravagantly, using the nation's resources for its own benefit. The entire electoral process is controlled and determined by government officials who are also members and agents of that party. Never satisfied or

content, they commit fraud after fraud with impunity and in differing degrees and forms, distorting the citizens' will. Just as during the heyday of enlightened despotism, the official projected election reform tries to perpetuate the situation by granting minor or, at best, secondary concessions. Nor are better days on the horizon for the workers. For example, the proposed labor reform views them, not as protagonists of social change, but rather, as a labor force ready to be adapted, docilely and flexibly, to the requirements of big capital. And as always, for rural areas and the farmers, nothing but words and promises. The step backward cannot be concealed.

Foreign policy has ceased being the bulwark of Mexican nationalism and an expression of our solidarity with the progressive and liberating causes of mankind. In an obvious contradiction, it has occasionally been made to serve interests contrary to its most basic principles: the self-determination of peoples rather than intervention. The defense of national independence and sovereignty has been vacillating and erratic, to say the least.

For Formation of a Patriotic Front

This picture is the faithful representation of a painful reality that must be rectified. We shall not stand idly by to witness the current denationalization, abandonment of the government's social responsibilities, the surrender of sovereignty, scorn for the people's interests and values, and the deliberate obstruction of a democratic prospect. We have previously done so and in the future will take a more organized, active, and committed stand.

We do not oppose modernization, nor are we dazzled or inhibited by the signs of real progress. Only the reigning authoritarianism wants to monopolize concepts and even words. But the modernization to which we aspire cannot run counter to our history or oppose the interest of the nation's majorities. It must be promoted and brought about based on its own achievements and faithful compliance with its claims. Modernization cannot neglect or abandon the country's sovereignty, but rather, must use it as its axis. It is inadmissible for it to be based on the violation of a state of law, repression, the existence of underground prisons and illegal police apparatuses, or lack of respect for the individual and social guarantees contained in the General Constitution. It must be sustained by clear democratic progress that is absolutely simple: with respect for and adherence to citizens' votes and the understanding that those who wish to win those votes, whether candidates or political parties, must do so by competing on an equal footing.

Nation's Essential Demands

In order to correct this state of affairs and promote these demands made by an entire nation, we have decided to call for the formation of a patriotic front to defend national independence and the people's sovereignty, restoration of the Republic, social progress, and democracy. We are not only speaking to those who at one time belonged to the FDN [National Democratic Front] and who still preserve and protect its goals and purposes. In this hour of national emergency, we call on the political parties, trade unions, social organizations, all forces, factions, and even individuals, whether democrats, nationalists, or progressives, to halt this ignominious denationalizing, privatizing process. At the same time, we make this appeal in order to join together in building an authentic modernity.

The Patriotic Front will be built on the basis of dialogue and by using democratic, pluralistic forms of organization and participation. This project will culminate, as has always been the case in our history, in a great people's victory. We shall relentlessly, unflaggingly build a consensus that the circumstances and national interests require. It is not an alternative, but rather, a commitment that we have made and to which we are obliged to devote our best and greatest efforts.

Fundamental Lines of Our Action

The National Patriotic Front will carry out its action based on:

1) the defense of national independence and the people's sovereignty;

2) the country's transition to democracy;

3) effective enforcement of constitutional legality;

4) reconstruction of the national economy;

5) promotion of economic and social development based on justice and equity, as well as protection of the people's interests and needs; and

6) promotion of and support for the social and political organization of city and rural workers.

Monday, 4 September 1989

For the Promotional Committee

Popular Socialist Party

Party of the Democratic Revolution

Revolutionary Workers Party

Social Democratic Party

Independent Parliamentary Group

Official: Ricardo Valero

* New PRD-Affiliated Peasant Grouping Formed

32480212b Mexico City EXCELSIOR in Spanish 4 Sep 89 p 12-A

[Text] With representatives from some 40 regional and national groups and organizations, the formation of the Democratic Peasant Union (UCD), affiliated with the Party of the Democratic Revolution (PRD), is now underway.

At a press conference yesterday, it was announced that on Saturday, 2 September, the UCD promotional committee was set up with peasant leaders from 17 entities, including Chiapas, Tabasco, Guerrero, Michoacan, the Lakes region, and Nayarit.

From organizations already set up and participating in the promotional effort were leaders from the Independent Federation of Agricultural Workers and Peasants, the Independent Peasant Union (Puebla), the Union of Rural Workers, and the Former National Peasant Confederation Member Francisco J. Mujica Movement of Tabasco, led by Deputy Darwin Gonzalez.

A summary of the first day of work was presented by Senator Cristobal Arias and leaders Rogel del Rosal, Felipe Monroy, Eleazar Perez Manzano, Jose Isabel Campos, and Rosa Esther Pena.

They reported that three standing committees had been formed to draft the basic documents for promotion, administration, and organization.

It is hoped that the new confederation will be entirely set up by 10 April 1990, anniversary of the assassination of Emiliano Zapata.

* Juchitan COCEI Abuse Charges Disputed

* Press Report Rejected

32480213 Mexico City PROCESO in Spanish No 669, 28 Aug 89 pp 14-16, 19

[Report by Francisco Ortiz Pinchetti]

[Text] Juchitan—"Dismayed and furious," the three top leaders of the Labor, Peasant, Student Coalition of the Isthmus (COCEI) have rejected "paragraph by paragraph" the PROCESO article of 14 August that implicated their organization in acts of corruption.

Hector Sanchez, Daniel Lopez Nelio, and Leopoldo Degyves describe as "absolutely and totally false" the article that Elias Chavez wrote, entitled "Hopes for democracy in Juchitan have degenerated into demagoguery and corruption." They say that the article seeks to discredit COCEI in order to isolate and strike blows at it again, and to prevent it from heading up the opposition's election campaign in the state of Oaxaca.

"It is a regrettable article, a very regrettable one," says Degyves, the former COCEI mayor of Juchitan. "It was a terrible surprise to us to find the words 'COCEI corruption' on the cover of PROCESO. I think that it's yellow journalism. We were given the same treatment as La Quina."

The three leaders deny straight off that COCEI is to blame for the backwardness and filth of the town, as the article charges. "We have been in control of the town for just 2 years and 8 months, during Polo Degyves' term as mayor," says Lopez Nelio, currently a federal deputy and the head of COCEI's peasant sector. "During this time the people's city government was constantly harassed, restricted, and throttled financially. It is absurd and completely unjust to hold COCEI jointly responsible for Juchitan's backwardness, when we have had 60 years of PRI [Institutional Revolutionary Party] governments."

Lopez Nelio also clarifies that the current City Council is controlled by PRI, for which reason its shortcomings cannot be attributed to COCEI either. "It is headed by Felipe Martinez, a member of PRI and former personal secretary of Governor Heladio Ramirez, who appointed him directly. There are three PRI councilmen and three COCEI councilmen. The treasurer is from PRI. The COCEI councilmen have no control over public spending. We wanted it that way. They have nothing to do with handling the money. The mayor and the treasurer take care of that personally."

According to Degyves, "the management of and the information about the use of municipal funds are totally centralized. Felipe Martinez reports on nothing, neither on revenues, expenditures, revenue-sharing moneys nor special aid from the state government. We have demanded that he report on this. We have requested an audit of the municipal government. We have asked to take part as monitors, only that, in running the Treasury. They've ignored us, of course. Impunity is a feature of the PRI system."

He then emphasizes: "We cannot accept being equated with PRI, as Elias Chavez tries to do when he claims that we've lapsed into the same vices. Let him prove it."

Hector Sanchez, the COCEI-PRD [Party of the Democratic Revolution] candidate for mayor of Juchitan at the elections on 6 August, also urges reporter Elias Chavez to submit evidence for his charges. "He won't be able to, because they are nothing but lies," he says. "The only thing he may have is a copy of an arrest warrant against me, because PRI handed out copies to newsmen on the eve of the elections, for obvious reasons. In any case, an arrest warrant is no proof of guilt."

Sanchez also stresses that the reporter "cites no source" in making "extremely serious charges, which thus lack any grounds and which he seems to be accepting as true, as if he were sure of them."

He adds:

"Elias Chavez twisted a statement that I made to him to make it seem as if I were accepting COCEI's shared responsibility for Juchitan's abandoned and backward condition. I told him: It's not our fault. He wrote: It's not just our fault."

With regard to the supposed break between painter Francisco Toledo and COCEI owing to the artist's disappointment with the organization's behavior, the COCEI leaders say that that claim is "as false as it is absurd" and they accuse the PROCESO reporter of having "doctored an interview with the painter 6 years ago to support his lies."

They roundly deny that there is any break between COCEI and Toledo. "Just 6 months ago we were with him at the opening of the Institute of Graphic Arts in the city of Oaxaca," says Degyves. "Our relations are as they have always been."

Degyves and Lopez Nelio agree that "it is not true" that Toledo financed COCEI. "He did give us paintings once, as others have, so that we could auction them. He has supported and is supporting us, but in no way has he been COCEI's sponsor," says Nelio Lopez. "It is untrue that he has removed his collection from the House of Culture because of disagreements with COCEI. Nothing of the sort. It is untrue that we have nominated him for deputy without consulting him. When did we make the nomination public? It never happened. It's another lie."

According to the COCEI leaders, one indication that there has been no break with Toledo, who is currently in Lisbon, Portugal, is that one of his daughters, Natalia, has been involved in COCEI activities in recent days, such as the sit-in that they have been staging since last 11 August outside city hall to demand that the party's election victory be recognized.

Denying Everything

With a copy of issue 667 of PROCESO in their hands, the leaders of COCEI reject the assertions in the article one by one. They deny the charges of corruption against the three COCEI city councilmen, Alberto Reyna Figueroa (health), Oscar Cruz (public works), and Mariano Santana (internal affairs and city manager).

The article charges that Reyna Figueroa, a physician by profession, authorized the opening of 45 new saloons, for each of which he collected between 100,000 and 200,000 pesos, which did not enter the Treasury. The COCEI leaders say that such authorization is not the exclusive responsibility of the councilman for public health but is approved by the town council and, when appropriate, signed by the mayor and the councilman for public health. Reyna Figueroa himself displays a list, which can be "checked in the municipal archives," according to which from 1986 to date (the term of the current Municipal Council) the number of beer bars has been cut from 166 to 75 and the number of beer stores from 160 to 115. "Over these 3 years 91 beer bars and 45 beer stores have been closed," the alderman says.

Regarding the assertion that Dr Reyna Figueroa personally treats most of the prostitutes subject to the city's public-health controls "in his private office," Lopez Nelio says, and the doctor himself confirms, that "Dr Reyna Figueroa does not have a private office."

The article says that the councilman for internal affairs, Mariano Santana, charged for authorizing festivals and formalizing property lines, land surveys, and deeds but that no proceeds entered the Treasury for 3 years. Santana himself asserts that deeds, property lines, and land surveys "are not my responsibility, because that is the jurisdiction of the municipal judge." As for the dances (wakes), the president of the council, Felipe Martinez, "set a fee of 200,000 pesos, which the church administrators did not accept and do not pay."

Lopez Nelio: "Nothing came in because nothing was collected."

Like Degyves and Hector Sanchez, he also rejects the accusations leveled at the councilman for public works, Oscar Cruz, that he charged for hauls by city trucks and sold materials. "The council's trucks are not even working; they're broken," they say.

In short, COCEI leaders are saying that "we stand behind the conduct of our three councilmen."

Regarding the allegations that COCEI leaders misused farm loans, Lopez Nelio, the head of COCEI's peasant sector, notes:

"It is not true that Juchitan has 30,000 hectares. That is the amount in the entire district, which includes Juchitan and Tehuantepec. It is not true, as Elias Chavez claims, that the COCEI people control 18,000 hectares. We control 10,000, and not just in Juchitan but regionwide.

"The article says that the average loan is 400,000 pesos per hectare. Also untrue. During the spring-summer season of 1988-89 it was 135,000 pesos per hectare in all, with this breakdown: 50,000 pesos for plowing, 30,000 for raking, 30,000 for planting, and 25,000 for fertilizer. Plus interest. This quota of 135,000 pesos per hectare is small, since this is an area with a high rate of natural disasters, according to Banrural [National Rural Credit Bank]. The assertion that the Banrural inspectors, in complicity with COCEI leaders, register nonexistent parcels has no basis whatsoever. There are documents that prove the opposite. The parcels are duly checked, and this can be proven."

Lopez Nelio is implicated directly by the report. It says that a little over a month ago Banrural gave him ("partly as blackmail and partly out of complicity") 1.5 billion pesos for nonexistent peasants and hectares.

"This is libel that Elias Chavez will have to prove. It is absolutely false. It has no basis. There is not a single fact, statement, or document that backs it up. It is a monstrous PRI lie that Elias Chavez is simply repeating."

Another case that the article mentions involves Santa Maria del Mar, a municipal agency of Juchitan, where it says that the father of the current COCEI candidate, Ciro Sanchez, "usurped, along with Lorenzo Carrasco, the functions of the communal property commission and took possession of 32 head of cattle."

Lopez Nelio and Hector Sanchez reply:

"In Santa Maria del Mar there is a group of elderly people in charge of church administrative matters. They raised money to buy cattle, which besides counting as church-administration assets would be used for religious festivals. The communal property manager wanted to take control

of the cattle away from them and exercise it himself. Lopez Nelio went with them to Agrarian Reform.

"A few months ago the elderly folks decided to slaughter one cow and sell another for the town festival. They went to see Lorenzo Carrasco and Ciro Sanchez, the leaders of the local Cattlemen's Association of Juchitan, to request the appropriate authorization. Sanchez and Carrasco gave it to them. That was their only involvement."

The PROCESO article also accuses Hector Sanchez of having committed a "breach of trust" to the detriment of fishermen compensated by Pemex [Mexican Petroleum], for which reason "an arrest warrant was issued for him last 12 May."

Hector Sanchez replies:

"Elias Chavez even got the place wrong. He confused two separate places, Santa Maria Xanadi and Boca del Rio. Oil spills seriously damaged the lagoon in Boca and hurt the fishermen, who belonged to a cooperative. We backed their demand for compensation. It was a 2-year struggle. Finally Pemex paid 75 million in compensation, which was distributed among the 55 members of the cooperative who were registered with the Secretariat of Fisheries.

"The problem is that there are other ejido [Indian community-held farmlands] members who are demanding compensation without belonging to the cooperative. They are the ones who have accused me of a breach of trust, not the cooperative, as the article mistakenly says."

The COCEI leaders also complain that Elias Chavez regards it as a fact that the results from 11 polling places were annulled at the recent municipal elections, "thus validating electoral fraud." Lopez Nelio and Degyves indicate that 22 polling places were set up in the municipality, including the ones in the municipal agencies, that the election went off without incident, as indicated on the 22 tally sheets, and that the balloting gave COCEI-PRD a 1,653 vote margin over PRI, according to the 22 sheets in their possession. There were three polling places, at the municipal agencies of La Venta, La Ventosa, and Chicapa de Castro, whose ballot boxes disappeared. All of the others were sent to the city of Oaxaca and handed over to the State Electoral Commission. The Municipal Electoral Committee (CME), without being authorized to do so, tried to annul the vote at 11 polling places, without any grounds whatsoever, so that it would thus nullify the entire election. Such an "annulment," the COCEI people say, has no legal validity. The victory of COCEI-PRD is clear-cut and unassailable. The people's city government headed by Hector Sanchez will take office on 15 September, they assert.

The worst thing of all, Leopoldo Degyves says in summary, "is the tone of the article, which is clearly designed to discredit a grassroots movement that has been battling for 15 years. Moreover, it has appeared just when an attempt is being made to snatch our electoral victory away from us. With one stroke of the pen they are trying to discredit COCEI, isolate it, and take away its outside support. Our organization is not without fault, but neither do we tolerate or protect corrupt people. We are fighting them constantly. And we are open to being investigated."

*** Evidence Discussed**

32480213 Mexico City PROCESO in Spanish No 669, 28 Aug 89 pp 16-17

[Article by Elias Chavez]

[Text] At the request of COCEI [Labor, Peasant, Student Coalition of the Isthmus] leaders and their defenders, I present here the evidence of their corruption.

—Preliminary investigation No 78/989 of the Office of the Attorney General of the Republic (PGR), in the charge of the agent of the Federal Public Prosecutor's Office (MPF) in Salina Cruz, Oaxaca, against Daniel Lopez Belio, Gaston Degyves Ruiz, and Mario Hernandez Sandoval, for the crimes of "deprivation of liberty and other rights, criminal conspiracy, and fraud."

—Criminal trial No 167/989, in the charge of the fifth district judge, against Daniel Lopez Nelio, Gaston Degyves Ruiz, and Mario Hernandez Sandoval, for the aforementioned crimes.

—Criminal trial No 55/989, in the charge of the second civil-criminal judge of first instance, against Hector Sanchez Lopez, Enrique Matamoros Rivera, Felipe Ambrosio Nahum, and Cayetano Garcia Lopez, for the crimes of "breach of trust and fraud" perpetrated to the detriment of the fish-production cooperative "Riverena Boderio."

—"The arrest warrant" issued on 12 May by the second civil-criminal judge of first instance for Hector Sanchez Lopez, Enrique Matamoros Rivera, Felipe Ambrosio Nahum, and Cayetano Garcia, for the crimes of breach of trust (the first named defendant) and breach of trust and fraud (the other three).

Along with the judicial documents, this reporter has in his possession notarial certificates, technical and legal rulings, balance sheets, IOU's, receipts, and contracts for secured business-loans, on the basis of which the Rural Credit Bank of the Isthmus (Bancrisa) and the National Agricultural and Cattle-Raising Insurance Company (Anagsa) have reported acts of corruption in which they implicate the main leaders of COCEI.

This reporter once again makes these documents (more than 200 pages in all) available to Hector Sanchez, Daniel Lopez Nelio, and Leopoldo Degyves, who describe as "absolutely and totally false" the article "Hopes for democracy in Juchitan have degenerated into demagoguery and corruption."

For the time being, since it is impossible to publish all of the documents, this reporter will summarize one of the complaints and the preliminary investigation of it (78/989). These are the facts:

On 16 May of last year some 200 people, led by Daniel Lopez Nelio, "in sudden and violent fashion," took over the Juchitan offices of the Rural Credit Bank of the Isthmus. They held them for the entire day and deprived the loan manager, Esteban Bautista, and other employees of their freedom, the complaint says. The seizure of the offices was repeated on 25 May, and 2, 9, 13, 20, and 21 June. They were asking for loans for the Cerro Azul, 15 de Agosto, Tierra y Libertad, Emiliano Zapata, and Tierra Colorada "solidarity groups," among others.

Ultimately the manager of the Juchitan branch, Guillermo Gil Castro, ordered Mario Hernandez Sandoval, the field inspector, to draft a technical report assessing the viability of the loans requested by Daniel Lopez Nelio, who according to the complaint was "especially interested in the 15 de Agosto solidarity group."

The members of this group appointed Gaston Degyves Ruiz their representative, because Daniel Lopez Nelio "did not want his signature to appear on the loan application." For his part, the field inspector, Mario Hernandez Sandoval, whom the complaint mentions as a "COCEI sympathizer," drafted a report favorable to the 15 de Agosto group, which wanted to plant sorghum on 341 hectares. A loan "in the amount of 85,250,000 pesos" was approved for the group. The 341 supposedly cultivated hectares were insured by Anagsa at a cost of 11,935,000 pesos.

Later, in October and November 1988, field inspector Hernandez Sandoval reported 197 hectares as "damaged." When an investigation was conducted into what had happened with the remaining 144 hectares, it was discovered that not only had they not been planted but that they did not even exist.

Continuing the investigation, Gaston Degyves Ruiz reported that the money for this crop area (the 144 nonexistent hectares) was given to Daniel Lopez Nelio, a COCEI leader. This comes to 27,561,600 pesos, the use of which Gaston Degyves explains thus in a handwritten letter sent to Hernandez Sandoval on 30 November:

"As you know, the 15 de Agosto Solidarity group received a loan from the Juchitan Bancrisa to plant 341 hectares of sorghum. Documents confirming the total loss of 197 hectares have been issued, with an inspection of the remaining 144 pending. These 144 hectares have not been inspected because I delivered the corresponding request to Daniel Lopez Nelio and do not know to what partners he delivered it. Therefore, I ask that you wait until Deputy Daniel Lopez Nelio arrives in this city."

In light of this irregularity, field inspector Hernandez Sandoval was dismissed and indicted on 16 January of this year. A few days later, on 26 January, the bank demanded that Gaston Degyves pay back the 27,561,600 pesos, "plus interest."

A copy of this demand "was sent to Mr Daniel Lopez Nelio, the mastermind behind all these developments, who ordered the representative of the 15 de Agosto Solidarity Group not to sign it as having been received, because he would do so, inasmuch as he was not going to pay a single cent. 'As a federal deputy, I have immunity; they can't do a thing to me, so let them do whatever they want to.' He made this remark to the manager of the Juchitan branch, Guillermo Gil Castro."

When the preliminary investigation was complete, the agent of the MPF, Miguel Luna Vazquez, filed for an arrest warrant against Daniel Lopez Nelio on 26 May.

From the beginning (PROCESO 667), this reporter indicated that corruption was not exclusive to COCEI. PRI [Institutional Revolutionary Party] began it, through CCI [Independent Peasants Federation] and CNC [National Peasant Confederation] leaders, in complicity with officials of the Rural Credit Bank. The PRI people have engaged in fraud not only in the form of loans to imaginary peasant farmers for nonexistent hectares but also through concessions like the ones that the bank gave them to clean the canals in Irrigation District 19. They submitted long lists of peasants who had supposedly been hired for the work but who did not really exist and from whose wages the PRI leaders pocketed millions.

Complaints about this were submitted directly to the general manager of Banrural [National Rural Credit Bank], Jaime de la Mora, 3 months ago when he visited Oaxaca. Banrural itself was fostering corruption, he was told.

As for Hector Sanchez Lopez, who "urges reporter Elias Chavez to produce evidence for his assertions," this reporter will oblige him:

On 11 May of this year, the second civil-criminal judge of first instance put together file 44/989, in which penal action was taken against Hector Sanchez Lopez for the crime of breach of trust to the detriment of the "Riverena Boderio" Fish Production Cooperative.

Hector Sanchez says that just a few ejido [Indian community-held farmlands] members, not the cooperative, are accusing him of breach of trust. And he seizes on a mistake by the reporter, who did in fact confuse Santamaria Xanadi with Boca del Rio, to try and discredit the charge. Hector Sanchez is lying, however.

The complaint was signed and submitted (the file so indicates) by the directors of the fishing cooperative, led by Eliseo Valdivieso Perez and Daniel Laureano Hernandez. The story is as follows:

On 8 November the cooperative members held a special general assembly and elected a new board of directors. As stated in the minutes notarized by notary public Roberto Toledo Molina, the assembly resolved, by a majority vote, to legally request the former president of

the cooperative, Enrique Matamoros Rivera, to deliver to the new board of directors the savings accounts, checkbooks, contribution vouchers, book of assembly minutes, and other cooperative documents. But Matamoros Rivera refused.

The complainants add that the members of "the previous board of directors, accompanied by Mr Hector Sanchez Lopez, collected 75 million pesos on behalf of the El Boderio Cooperative for the damages that the cooperative suffered on account of the oil discharges near the La Ventosa inlet from the 'Antonio Dovali Jaime' refinery in Salina Cruz in 1986. This fact is confirmed by a copy of the receipt indicating that Mexican Petroleum made the payment in question to these individuals, despite which the money did not become part of the cooperative's funds."

According to the complainants, the previous directors of the cooperative received Banamex [National Bank of Mexico] check number 1654 for the 75 million pesos.

On the basis of the above, Pedro Rolando Quero Mendez, the second civil-criminal judge of first instance, issued an arrest warrant for Hector Sanchez Lopez for the crime of breach of trust and for Enrique Matamoros Rivera, Felipe Ambrosio Nahum, and Cayetano Garcia Lopez for breach of trust and fraud. The warrant was delivered to the agent of the Public Prosecutor's Office on 12 May.

Hector Sanchez says that "in any event an arrest warrant is no proof of guilt." He is right, but he must prove his innocence to the judge, not say that what the reporter wrote "is nothing but lies."

As for Leopoldo Degyves, who feels that the article in question is "yellow journalism" and "designed to discredit COCEI," this reporter would like to remind him of a few facts.

When he took office as mayor in 1981, Degyves promised the people of Juchitan that he would build a vehicle bridge across the Perros River to connect it with the Ninth Section of Cheguigo. Pemex gave the town several tons of heavy-gauge rods. The bridge was never built, and the rods just sat around and rusted. Is it a lie that the people of Juchitan are still complaining:

"Polin guna puente que burro." [According to other PROCESO reporting, a Zapotec expression deriding the seriousness of those promising the bridge.]

Lopez Nelio and Degyves accuse the town's mayor, PRI's Felipe Martinez, of centralizing control of the municipal government and also of signing the permits to open 45 new saloons.

This reporter has at no time defended or praised Felipe Martinez. On the contrary, the article in question says that he shares responsibility for the corruption in city government. And the fact that Martinez too signed the permits does not take blame away from the other signatory, the COCEI councilman for public health, Alberto Reyna Figueroa, nor does it contradict the fact that the last saloon that was authorized belongs to Desiderio Degyves, Leopoldo's uncle.

As for the prostitutes, the COCEI leaders claim that Dr Reyna Figueroa does not have a private office. What is corrupt is that of the 60 prostitutes who are registered as permanent, only 6 or 7 paid the Treasury 20,000 pesos for a "weekly checkup," while the others arranged things directly with Dr Reyna Figueroa, whether he has an office or not.

As for the councilman for internal affairs, COCEI's Mariano Santana, he too claims that the approval of deeds, property lines, and land surveys, the proceeds from which never made it into the Treasury, "is not my responsibility, because that is up to the municipal judge." This is true. What he does not say, however, is that the municipal judge is under him.

It bothers the COCEI leaders, and their defenders, that this reporter brought up another fact: the municipal electoral committee's annulment of returns from 11 polling places. Other mass media reported the same thing, including the newspaper 6 DE JULIO, a PRD [Party of the Democratic Revolution] publication. On page 13 of its 15 August edition we read under the headline "CME [Municipal Electoral Committee] Invalidates Elections and COCEI Victory in Juchitan":

"The Municipal Electoral Commission of Juchitan said certainly not. Above and beyond the statements by the delegate of the PRI National Executive Committee, Hector H. Olivares Ventura, acknowledging defeat in the municipality, at the last minute they decided to annul the returns from the 22 polling places in Juchitan, which invalidates the elections there."

This report makes things sound even worse because it contains a mistake: the returns from only 11, not 22, polling places were annulled. Or does 6 DE JULIO also want to "validate electoral fraud," as the COCEI leaders say of Elias Chavez?

The above information was furnished by dissident COCEI members who out of fear of reprisals asked that their names not be revealed. This reporter will respect their wishes, even if the COCEI leaders complain that "he cites no source."

The COCEI leaders assert that Francisco Toledo still supports them. The fact is that he has removed his works and stopped supporting them financially. But when all is said and done, everyone is free to support whomever he chooses.

Costa Rica

Madrigal Discusses Noriega, Central America

PA1210150289 San Jose LA NACION in Spanish 1 Oct 89 p 4-A

[Report on an interview with Foreign Minister Rodrigo Madrigal Nieto by Edgar Fonseca; in New York—date not specified]

[Text] Costa Rican Foreign Minister Rodrigo Madrigal Nieto, who is in New York with President Oscar Arias on the occasion of the 44th UN General Assembly meeting, said Costa Rica will make efforts at the OAS in the next few days to isolate General Manuel Antonio Noriega diplomatically and economically.

Madrigal said that over the past few days he talked with other Latin American foreign ministers to increase pressure to isolate Noriega.

Madrigal termed the Panamanian regime "unconstitutional" and described Francisco Rodriguez, chosen by Noriega to be president, as "just another street vendor."

The Costa Rican Government will propose that, when the OAS brings up the case of Panama in November, a resolution be released to isolate and condemn Noriega and his regime. He said it is imperative for the OAS to make this decision. Otherwise, and among other things, the U.S. Government will not allow a Panamanian citizen to assume office as Panama Canal Administrator in December, as the Torrijos-Carter treaties stipulate.

Madrigal did not rule out the possibility that the Americans must prepare themselves to militarily defend the use of the canal when the time for the new administrator to assume office arrives.

During a short interview with LA NACION, Madrigal also referred to the Nicaraguan situation and the Salvadoran conflict. He does not think the Sandinists will dare manipulate the February elections.

According to Madrigal, the triumph of the opposition, headed by Violeta de Chamorro, cannot be ruled out despite the Sandinists' powerful proselytizing machinery.

Concerning El Salvador, he said the recent breaking of a cease-fire by the guerrillas indicates their weakness.

According to Madrigal, the guerrillas have resorted to terrorism because it is impossible for them to continue a formal war.

He described the recent violent actions in El Salvador as the guerrillas' last actions, prior to the talks scheduled to be held in San Jose in the next few weeks.

He expressed the hope that the dialogue makes progress. He pointed out, however, that important social changes will have to take place immediately so those who participate in politics can defend their social benefits, which they have favored above an armed solution.

Madrigal described what is happening in Nicaragua and El Salvador as part of an "epidemic of peace" that is occurring around the world.

According to the diplomat, the detente that prevails between the two big powers, the United States and the Soviet Union, has resulted in an unprecedented "cordiality" in the UN General Assembly.

He said that both the Soviets and the Americans—the former eager for Western technology and the two of them pressured by billion-dollar war budgets—have chosen detente rather than atomic holocaust.

Some effects of this detente have been observed over the past few years in regional conflicts in Afghanistan, Asia, and Central America.

Within this framework, the world is witness to the democratic changes shaking Lech Walesa's Poland and Hungary.

Contrary to decades before, the Soviet Union is now unable to resort to military means to check these changes.

Concerning Central America and the Caribbean, he favors holding distant relations with the Cuban regime and cutting the flow of money. He warns Cuba that it should not export revolution.

Within the area of U.S. interests, this results in the Nicaraguan revolutionary process being isolated and forced to adhere to plans such as Esquipulas, which essentially favors the area's permanent democratization. "Democracy has become a fundamental right of man, which is to be implemented throughout the world. Democracy is not the exclusive property of a government," the minister said Isolated by Americans and Europeans, with a ruined economy and lacking support for the export of revolution, the Sandinists have been forced to yield, Madrigal said.

This is why they have permitted the presence of international observers from the United Nations, the OAS, and democratic nations such as Costa Rica and Venezuela.

"We do not know who will win the elections. The important point is that these should be elections that deserve respect and credibility. The opposition should exert great effort to attain unity to then seek the triumph," he added.

Madrigal believes that should the Sandinists win the election, they will be forced to make greater concessions in the search for a greater normalization of relations with the United States and Europe.

However, Madrigal did not rule out the triumph of the opposition. Moreover, high-ranking Sandinist officials

have admitted to international diplomats that the election "will be very tight." Independent polls taken prior to the nomination of Mrs Chamorro as the opposition candidate showed she was ahead of President Daniel Ortega, the ruling party's candidate.

The Costa Rican diplomat believes that questions will weigh on the minds of Nicaraguan voters, such questions as: How would it be to eat with peace, have a job, a stable currency, and to negotiate and receive aid from the United States and Europe? Will the compulsory military service be eliminated?

Madrigal believes that as soon as the electoral campaign intensifies in Nicaragua, the aforementioned issues could tip the scale—which the Sandinists maintain leans totally in their favor—in favor of the opposition.

Madrigal insisted he does not believe the Nicaraguan rulers will violate the electoral process and prevent the possible assumption to power of Mrs Chamorro.

Concerning the Salvadoran case, the foreign minister noted this is another case that shows the need to strengthen democratic processes.

Madrigal added that the guerrillas, under the Esquipulas framework, have chosen to lower the tone of their demands and to join political life.

Madrigal did not rule out the possibility that recent clashes could be the work of radical groups fearing for their security amid the cessation of hostilities.

However, although he believes the guerrillas have yielded and are willing to hold a dialogue, Madrigal urged Alfredo Cristiani's Government to promote important social changes.

Madrigal added that Costa Rican diplomacy, jointly with European Governments and Japan, is working together so that democratic processes are strengthened in Nicaragua, as well as in El Salvador. The recent EEC condemnation and the mass vote at the OAS supporting a Costa Rican proposal to investigate the Panamanian case at the OAS are a result of these efforts.

El Salvador

Refugees Plan 17 Oct Return Without 'Approval'

PA1310004689 Panama City ACAN in Spanish 2135 GMT 12 Oct 89

[Text] San Salvador, 12 Oct (ACAN-EFE)—Approximately 1,600 Salvadorans have voiced their determination to return to El Salvador on 17 October, without the government's approval, after having remained as refugees in a Honduran camp since the early eighties.

"We insist on returning to El Salvador on 17 October. Here, we are being imprisoned for no reason. We are leaving because otherwise, we will be killed. We are Salvadorans, and that is why we want to return to our country," said one of the refugees in a television interview.

Interior Minister Francisco Merino warned that his government will not allow the entry of refugees who do not have identification documents issued by the UN High Commissioner for Refugees [UNHCR].

"If they suddenly arrive at the Salvadoran border, without documents certifying they are Salvadorans, they cannot enter the country," Merino pointed out.

According to Merino, who is also the Salvadoran vice president, the refugees' determination to return without the government's approval is "evidence" of their relations with the Salvadoran guerrillas.

However, the refugees—including women, the elderly, and children—denied any links with the Farabundo Marti National Liberation Front (FMLN) guerrillas.

Merino interpreted the refugees' wishes to repatriate in a massive and immediate manner as "plans to provoke problems that will affect the image of the government with regard to the issue of respecting human rights."

On 10 October, an official commission headed by Deputy Interior Minister Colonel Carlos Figueroa, visited the Honduran camp at Mesa Grande to try to reach an agreement with the refugees so they could prepare for their repatriation in 1990, and agree on the places where they would be relocated.

The national commission was unable to reach any agreement for postponing the repatriation of the Salvadorans until 1990.

The military officer disclosed that there are logistical problems in preparing for the 17 October repatriation.

"The UNHCR is not prepared to give logistical support to the Salvadorans who want to return next week and it needs both parties (the government and the refugees) to reach an agreement in order to go ahead with the repatriation," Col Figueroa added.

One of the refugees, who preferred not to be identified, charged that UNHCR "has been unable to give us transportation, and the Honduran Army is not allowing food and medicine to reach us. In addition, we are the target of Honduran military attacks."

In Mesa Grande, there are 3,718 Salvadorans, of which 900 are children. These refugees left El Salvador early in 1980 when the war which has left over 70,000 dead broke out.

There are also an additional 13,000 Salvadorans in Mesa Grande who want to be repatriated, says the National Coordinating Board on Refugees, that claims to represent them.

The refugees are demanding the Salvadoran Government comply with the Central American peace agreements that were signed 2 years ago in Guatemala,

which—according to them—would allow them to return to the country with guarantees.

FMLN, Government Talks Scheduled for San Jose

PA1210151089 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 12 Oct 89

[Text] Official sources have reported that the Moravia parochial center of San Jose, Costa Rica, will be the venue for the second meeting between the government dialogue commission and the Farabundo Marti National Liberation Front [FMLN]. According to the source, the Moravia parochial center is a retreat for the St Clare of Assisi Sisters religious order. It was also said that the government is maintaining its serious, responsible, and reserved position toward the dialogue with the FMLN and hopes that the guerrillas maintain a sincere attitude at the negotiating table.

FMLN Repudiates 'Dirty War Operations'

PA1310012989 (Clandestine) Radio Venceremos in Spanish to El Salvador 0036 GMT 13 Oct 89

[Communique issued by the Farabundo Marti National Liberation Front on 12 October 1989]

[Text] The Alfredo Cristiani government and the Armed Forces have been carrying out several dirty war operations that seek to confuse the national and international public. These operations include attacking buses with machineguns, placing bombs in public sites, blaming the FMLN [Farabundo Marti National Liberation Front] for the death of Mrs Sanchez de Fuentes [wife of newspaper editor], and even making phone calls to the media claiming to be speaking on behalf of the urban guerrillas and announcing increased sabotage actions.

The FMLN does not use the media to issue instructions to its units because we have our own channels. The Armed Forces and the Cristiani government are trying to cover up with psychological warfare their lack of prestige and the repudiation against them caused by their constant violation of human rights.

We call on national and international community not to allow themselves to be confused by those [words indistinct].

Guatemala

Police Report 11 Killed in Incidents 11 Oct

PA1210212789 Panama City ACAN in Spanish 1800 GMT 12 Oct 89

[Text] Guatemala City, 12 Oct (ACAN-EFE)—At least 11 Guatemalans, including one member of the Army, were killed in various acts of violence that took place in Guatemala in the last 24 hours, according to official reports.

Police sources have reported that three bodies, showing signs of having been strangled, were found in the interior of the country and in southern Guatemala City. So far, the police have not identified the bodies.

Reports also say that an Army soldier was killed in an armed clash with guerrillas in Chimaltenango Department, in the central part of the country, while two unidentified watchmen of the Institute of Anthropology and History were murdered in northern Peten Department.

The police said that the body of Gonzalo Garcia was found in Puerto Barrios, on the Atlantic Coast area of Guatemala.

Four other Guatemalans, who were not identified by the police, were killed in several parts of the country as a result of stab wounds, the sources added.

Meanwhile, unidentified men threw a grenade at the home of a peasant in El Quiche Department, northwestern Guatemalan. Jorge Luis Naratena, 19, was wounded in the attack.

* Nation Struck by Wave of Violence

* Security Forces Overcome

32480215 Guatemala City PRENSA LIBRE in Spanish 5 Sep 89 pp 11, 14

[Editorial: "On the Edge of Chaos"]

[Excerpts] During the grim August of 1989, the Guatemalan community experienced an atmosphere of anxiety, defenselessness, insecurity, and anarchy. In only 10 days of incidents, from Saturday, the 19th, to Monday, the 28th, CACTO counted a total of 163 cases with victims of common and political crimes, terrorism, and banditry that have become increasingly unchecked and irrepressible.

As has been established on previous occasions, the statistics are based on reports from newspapers, primarily PRENSA LIBRE, that claim that during the aforementioned interval there were 54 deaths, 22 persons injured, 21 kidnappings or disappearances, and 68 robberies and assaults. Most of the robberies involved vehicles. Certain murders have been attributed to "death squads." [passage omitted]

Reflection of What Is Tragically Common

The incidents during August are merely a reflection of what has become, from one month to the next, the brink of chaos at which the entire country stands. Consistently and inevitably, the Guatemalan population's capacity for endurance has already exceeded all the bounds of what is humanly possible to suffer. This is attested, among other demonstrations of indignation and rebellion, by the protests from business organizations representing thousands of citizens who belong to what is usually termed the vital forces of a nation. These protests appear in paid advertising space and are published widely in this and other news media.

These organizations, among other options for curbing the unbridled vandalism, have joined in the demands for the interior minister's resignation from office, which began last week among various influential sectors of the public and are prompted by his obvious inability to restore order and put a halt to crime and violence.

The acting president, Roberto Carpio Nicolle, for his part, at a press conference held last Thursday, cited the possibility of adopting "stringent regulations that could be applied to control the wave of violence." He also pointed out that the first of these measures were put into effect through police operations already begun throughout the country, and admitted that they might go so far as to establish a state of emergency.

Police Ineptitude

I have said before and repeat now that, with regard to the claims of police ineptitude in anticrime operations, rather than lack of capacity there has been impotence. This is a result of the fact that there remains no change in the vicious circle whereby the capture of wrongdoers is of no use if, within a few hours or days, judges release them "for lack of evidence" even though they have been caught red-handed.

In addition, there is the situation wherein those accused of being presumed perpetrators of murders, drug trafficking, and other crimes have been deputies, civil servants, or relatives thereof. And in such instances the question is the same as ever: What policeman would dare capture them if investigating the actions that have been charged is not even permitted? National police chiefs and spokesmen have even been dismissed for giving information to the press or for detaining presumed criminals who have been set free "by orders from superiors."

When they are protected in this way not even a policeman trained by Scotland Yard, the Paris Surete, or the FBI would arrest a notorious killer or a drug trafficker reeking not of liquor but of "something up above."

* Congress Scores Violence

32480215 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 1 Sep 89 p 4

[Text] The Congress of the Republic plenum approved a resolution (No 27-89) whereby it forcefully condemns the acts of violence that have occurred during the past few days, causing mourning among the Guatemalan family.

The approved resolution declares, verbatim:

"Whereas: acts of violence have become widespread during the past few days, affecting all sectors of the country and depriving the nation of useful human lives;

"Whereas: it is the duty and obligation of the state to watch over the citizens' security, attempting to establish order, peace, and freedom for Guatemalans, without any distinction or discrimination;

"Therefore, it is resolved:

"First: to forcefully condemn the acts of violence causing mourning among the Guatemalan family.

"Second: to demand of the executive body the immediate establishment of mechanisms that will make it possible to create an atmosphere of security for the country's different sectors.

"Third: to provide protection and assistance, based on Decree 5-87, the Law on Assistance for Widows and Orphans, to those affected by the recent incidents in the agricultural community of La Providencia, in the municipality of San Cristobal Verapaz, where a tragic and regrettable blunder occurred."

This approved statement was submitted for the consideration of the plenum by the Legislature's Commission on Indian Communities.

* Strong Measures Requested

32480215 Guatemala City PRENSA LIBRE in Spanish 4 Sep 89 p 47

[Text] The state of insecurity being experienced by Guatemala and the violence which, instead of ceasing, is becoming more heightened every day, are disturbing. The people, that is, decent citizens, are frightened upon hearing news or reading in the papers about acts of violence such as those that have occurred during the past few days. We are shocked to learn about anonymous calls, the setting of bombs, death threats, murders, kidnappings, attacks, etc. The wave of violence that has been striking our country and causing mourning in many Guatemalan homes is, ultimately, affecting all sectors of the population. And (why not admit it?) the situation is becoming more difficult each day, as a result of which the country is struggling amid hunger, poverty, and desperation. There is an urgent need for forceful measures and intervention on the part of the authorities to curb criminal acts, because they are the ones assigned to punish wrongdoers and not to instill fear in those doing good. We want peace and security, not war or bloodshed on our native soil. Peace is a precious possession that must be won for the good of mankind and once achieved, it must be cultivated and protected. Aware of the conditions under which we are living I make an appeal, with all due respect, to the central government to establish order, provide security, and give a response to those who placed their trust in it during 1985.

* Police Hunt Terrorists

32480215 Guatemala City PRENSA LIBRE in Spanish 1 Sep 89 p 8

[Text] A war on terrorism and common crime began early yesterday morning, after about 2,000 members of Siproci [Civil Protection System], the Mobile Military Police, National Police, and Treasury Guards, as well as Presidential Staff personnel, coordinated a widespread plan in the capital.

Search for Terrorists

According to information provided by the National Police director, Giovanni Valerio Cardenas, and the Treasury Guard's third chief, Miguel Rodriguez, the operation will continue indefinitely, and is intended to uncover terrorist groups and criminal ringleaders that have been causing problems during the past few days.

For this purpose, the three security institutions have joined together in order to achieve something positive.

Many Captured

Siproci agents "combed" the city on foot, by car, and by motorcycle, and were thus able to capture a large number of people, confiscate weapons, and conduct numerous searches with a judicial order.

Searches

Yesterday approximately 20 searches were conducted in various locations suspected of having terrorist or criminal groups.

The first search was made for 2 or 3 hours at the zone 4 bus terminal, where Siproci questioned suspects, requested documents for the purchase of equipment, and captured common criminals carrying firearms or knives and lacking papers.

Another search operation was started later in zone 5, primarily in the La Limonada community, where the agents searched for suspected persons at various addresses. They also made many captures in this locality.

During the afternoon hundreds of agents went to the capital's red-light district, that is, the district including Zones 9 and 10, where they made an equal number of searches and raids, also checking vehicles.

Finally, during the night, they conducted an extensive search of the city's entire downtown area. The agents inspected the inside of business establishments, bars, and other sites in order to expend an intense effort that will bring results in curbing terrorism and crime.

* SIPROCI Surveillance

32480215 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 1 Sep 89 p 3

[Text] Yesterday intensive anticrime operations were initiated in the capital (later to include the entire country) by the Security Forces combined in Siproci [Civil Protection Service], according to information provided by Roberto Valle Valdizan, the interior minister, during a press conference.

The interior minister stressed that no further details could be given, but remarked that there is a sincere desire in the government to provide protection for citizens and their possessions.

Valle Valdizan claimed that the purpose of the widespread operations begun yesterday is to capture persons who have been committing unlawful acts, to confiscate weapons in the possession of civilians without any authorization, and to locate criminals and stolen vehicles in the capital and the outlying parts of the country.

The interior minister declared that the operation started in the capital yesterday is unquestionably one of the largest ever conducted against crime and groups that have been spreading terror and anxiety in the capital and the country's outlying districts.

The interior minister told the news media that all vehicles, without exception, would be inspected by Siproci officials as one of the measures against crime and to restore peace of mind among decent citizens.

Honduras

* Central Bank Reports Increase in Imports

32480227d Tegucigalpa LA TRIBUNA in Spanish 12 Aug 89 p 8

[Text] Although various economic sectors in the country have been demanding that the Central Bank of Honduras (BCH) authorities grant them foreign currency for imports, a report from the institution maintains that, by July of this year alone, 87 million more lempiras had been disbursed than in 1988.

A source from the Secretariat of Economy and Commerce remarked that last year the BCH authorized foreign currency totaling 1.0619 billion lempiras, most of which was used for importing luxury products.

Nevertheless, although there was no significant increase in the procurement of foreign currency for exporting products to the international market during 1989, the levels of foreign currency provided rose in comparison with previous years.

The Central Bank's report shows that this year a total of 1.148 billion lempiras in foreign currency was authorized, resulting in an increase of about 87 million lempiras in imports.

While that situation was reflected in the BCH statistics up until 31 July of this year, the pressure for the procurement of more foreign currency is becoming increasingly heightened, particularly for the purchase of foreign products that are not exclusively necessary for the nation's economy.

Nicaragua

PDRY Party Leader Meets Ortega in Berlin

EA0910154189 Aden Domestic Service in Arabic 1900 GMT 8 Oct 89

[Excerpts] Brother Ali Salim al-Bid, secretary general of the Yemeni Socialist Party [YSP] Central Committee,

met Comrade Daniel Ortega, the general coordinator of the Sandinist front and president of the Republic of Nicaragua, in Berlin this afternoon. During their meeting they reviewed the relations of friendship and cooperation between the YSP and the Sandinist front, and between the peoples of the two friendly countries, as well as the latest developments in the Arab and Latin American arenas, particularly the situation in the Palestinian arena and the Lebanese issues. [passage omitted].

For his part, Comrade Ortega gave a briefing on the situation in Latin America, and the efforts being made by Nicaragua to settle disputes by peaceful means to strengthen the security and stability of the region. The brother secretary general expressed the support of our party and people for all the Nicaraguan peace initiatives. He also stressed Democratic Yemen's solidarity with [words indistinct].

President Ortega Supports South-South Dialogue

AU1210130289 Vienna WIENER ZEITUNG in German 12 Oct 89 p 3

[Interview with President Daniel Ortega by Ferdinand Hennerbichler in Cyprus: "The New Leader of the Third World?"—date not given]

[Text] Nicaraguan President Daniel Ortega, 43, considers himself the winner of the civil war in his home country, a "militant" pioneer for a "South-South dialogue," for the "legitimate interest" of the developing countries against the industrialized "northern states," and a candidate who has good chances of becoming president of the Nonaligned Movement of the Third World. At the end of his state visit to Cyprus, Ortega gave an international news conference. Ferdinand Hennerbichler conducted the following interview with him.

WIENER ZEITUNG: Do you want to become chairman of the nonaligned movement of the Third World?

Ortega: Countries such as Nicaragua have a right to the Presidency in the movement of the nonaligned states. We want to make the nonaligned states more militant with a new dialogue.

WIENER ZEITUNG: The Americans have given up their support for the "contras." Will you take off your uniform now?

Ortega: The "Yankees" occupied Nicaragua for 168 years, leaving behind enslavement, dictatorship, and misery. For the first time we brought freedom through revolution. I see no reason why I should take off my uniform either before or after the February 1990 elections. I have defended democracy wearing my uniform and I am proud of it.

WIENER ZEITUNG: Are you ready to make concessions?

Ortega: There are agreements, both between Central American states and between the government and the opposition in Nicaragua. These agreements must be observed without any ifs and buts, and without any supplements.

WIENER ZEITUNG: How important are the Contras today?

Ortega: The United States continues to support the "counter-revolutionaries" with millions, even finances a system of political mercenaries, and wants to strangle Nicaragua economically. Nevertheless, they will not succeed in helping the "counter-revolutionaries" to win the next elections. The revolution will continue to triumph.

WIENER ZEITUNG: What do you think about the "militant character" of the nonaligned states?

Ortega: We want to promote a South-South dialogue in the struggle for legitimate rights against the northern states. Unfortunately, the countries in the North pursue a world policy that is based on their own interests and not on justice. Thus, the nonaligned states ought to force a dialogue on the superpowers to solve regional conflicts, as for example in the Middle East, in Lebanon, or Cyprus. More specifically, the United States should force Turkey to withdraw its occupation forces from Cyprus.

WIENER ZEITUNG: What is you stance in the question of the mass exodus from the GDR?

Ortega: This is an organized campaign against the celebrations marking the 40th anniversary of the GDR. Nevertheless, a discussion on the solution of existing problems is necessary. Strengthening the ideological struggle in that region must remain the objective there.

WIENER ZEITUNG: How should the superpowers act in Central America?

Ortega: The superpowers ought to bring about an equal balance of powers in Central America, respect the political will of the peoples in that region, and guarantee peace agreements.

Panama

Paper Publishes Newly Issued 'War Decrees'

PA1210192789 Panama City CRITICA in Spanish 12 Oct 89 pp 14, 15, 16, 17, 19

["War Decrees" issued by Provisional President Francisco Rodriguez—dated 9 October 1989]

[Text] Decree-Law No 2 (of 9 October 1989)

Whereby steps are taken to ensure the efficiency of the administration.

The provisional president of the Republic, acting according to law, decrees:

Article 1. Public employees are to perform their functions in person during the official work shift at the

institution where they work and to exercise principles of competence, loyalty, and morality on the job.

Article 2. The following definitions are hereby adopted as applicable to this Decree-Law:

a) Competence: The continued demonstration that the person possesses the ability required for the efficient performance of his duties in accordance with their nature.

b) Loyalty: The public employee's necessary and permanent fidelity to the nation, state, and government by strictly obeying the Constitution, bylaws, regulations, resolutions, and instructions from higher authorities for the strict defense and protection of national and institutional interests.

c) Morality: A public official must act in accordance with the ethics of his profession or trade. Morality is also the dignity with which he carries out his work.

Article 3. The following causes for dismissal are hereby added to previous legal provisions.

1. Unjustified cessation of work. Any cessation of work not authorized specifically by law or a competent authority, or work carried out in violation of the law and regulations or without having complied with procedures established by law, will be considered unjustified.

2. Cooperating with and participating in or in any way taking part in acts sponsored by local elements or foreign governments who participate in or favor the imposition of coercive economic measures; trying to replace the established authorities; sponsoring or facilitating the commission of acts of sedition against the state's internal or international personality and the national economy; disregarding or failing to pay taxes or public services; and in general sponsoring disobedience to instructions and orders given by competent authorities while these authorities hold their positions, regardless of the corresponding penalty.

3. Using government or private property at the public agencies where the employee works to carry out the actions described in the preceding paragraphs.

4. Committing acts with the intention of inhibiting the collection of taxes, tolls, or fiscal revenues of any kind.

5. Carrying out actions that prevent or tend to prevent other public employees from complying with their duties.

6. Calling for disobedience, by any means, to the authorities.

7. Physically attacking or verbally abusing authorities.

8. Disobeying orders or instructions from authorities or their agents.

9. Intervening, directly or indirectly, in the signing of contracts with the state or obtaining concessions or any benefits that imply privileges derived from such concessions in favor of corporations, societies, or private individuals in which the public employee, his or her spouse or relatives to the fourth degree of consanguinity and second of affinity, hold an interest.

10. Inefficiency in the performance of duties in relation to the usual performance of the employee. Unusual slowness in performing his usual activities.

11. Carrying out acts of violence, coercion, or disrespect against fellow employees or superiors.

12. Carrying out actions with the intention of making it difficult for or preventing other public employees from getting to work.

13. Participating in acts called for to support activities under investigation by the Public Ministry.

14. Carrying weapons of any kind during working hours, unless the employee holds a written permit signed by a competent authority.

Article 4. When the corresponding authority dismisses an employee, the authority must state the cause for the dismissal. The removal will be effective immediately. No appeal is permitted.

Article 5. Public employees are forbidden to receive two or more state salaries as the result of simultaneous or alternate work in two or more jobs in public institutions. This provision applies if any of these jobs falls within the official working schedule.

Article 6. This decree-law supersedes any other legal provision or regulation in this regard.

Article 7. This decree-law is of a public nature and is retroactive to 1 September 1989.

Article 8. This decree-law will be effective as soon as it is promulgated.

For Release and Publication

Issued in Panama City on the xxxxx day of the xxxxx month of 1989. [day and month omitted as published]

[Signed] Francisco A. Rodriguez P., provisional president of the Republic;
Carlos Ozores Typaldos, provisional vice president of the Republic;
Olmedo David Miranda, minister of government and justice;
Jorge Eduardo Ritter, foreign minister;
Orville K. Goodin, finance and treasury minister;
Juan Bosco Bernal, education minister;
Hidalgo Fung, public works minister;
Rodrigo Botello, acting agricultural development minister;
Elmo Martinez Blanco, commerce and industries minister;
Maruja Bravo, acting labor and social welfare minister;
Jose Renan Esquivel, health minister;
Arturo Diez P., housing minister;

Gustavo R. Gonzalez, planning and economic policy minister;
Augusto R. Valderrama B., Presidency minister.

Decree-Law No 3 (of 9 October 1989)

Whereby urgent economic and fiscal measures are adopted.

The Provisional President of the Republic decrees:

Article 1. All increases in the emoluments of public workers, in any form or modality, is suspended temporarily. Considered as salary increases as far as this law-decree is concerned are bonuses, in-step promotions, reclassifications, appointments resulting from personnel changes, the assignment of permanent traveling expenses, and in general any action that has the effect of producing additional income to public workers in relation to what they are earning when this law goes into effect.

Article 2. Appointments of new public workers will be made, according to the government's financial means, from a percentage drawn from the vacancies that become available. [sentence as published]. The executive branch, in coordination with the Comptroller General's Office, will establish the ways in which to put this measure into effect.

Article 3. All expenditures contrary to this law-decree will be considered void. The Comptroller General's Office is empowered to nullify the respective appointments or contracts, to take the necessary actions against those responsible, and recover the amounts spent as a result of the violation of this law-decree. This is based on Article 1077 of the Fiscal Code, Articles 38 and 39 of Law 32 of 1984, and related legal rulings.

Those jointly responsible for returning the sums paid because of infringement of this disposition are the beneficiary, the administrative director, and the head of the respective government entity.

Article 4. Payment of the special "13th-month" bonus to public workers in general, including those who enjoy the benefit of special labor laws and who earn a special bonus, is hereby provisionally suspended. This bonus was instituted under Law No 52 of 16 May 1974 and its amendments.

Article 5. This law-decree provisionally suspends those laws or regulations that contradict it.

Article 6. This law-decree becomes effective once promulgated.

For Release and Publication

Issued in Panama City on the xxxxx day of the xxxxx month of 1989. [day and month omitted as published]

[Signed] Francisco A. Rodriguez P., provisional president of the Republic
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Orville K. Goodin, finance and treasury minister
Juan Bosco Bernal, education minister
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Arturo Diez P., housing minister
Gustavo R. Gonzalez, planning and economic policy minister
Augusto R. Valderrama B., Presidency minister

Decree-Law No 4 (of 9 October 1989)

"This is to modify Articles 1, 7, 8, 9, and 10 of Law No 82 of 1963 and to repeal some dispositions."

The Provisional President of the Republic, in exercise of his legal authority, decrees:

First Article: Article 1 of Law No 12 of 1956, which was modified by Article 1 of Law No 82 of 1963, will now read:

"Article 1: The Education Ministry will have a Personnel Directorate, and this directorate will have a director, a deputy director, and as many sections and departments as necessary to accomplish its functions."

Second Article: Article 10 of Law No 12 of 1956, which was modified by Article 7 of Law No 82 of 1963, will now read:

"Article 10: The director will head the Personnel Directorate and he will manage and supervise its technical and administrative activities.

"The following will be the responsibilities of the Personnel Directorate:

"a) To comply and to enforce compliance with legal dispositions and decrees involving the hiring and managing of personnel.

"b) To draft Personnel Directorate Regulations and to propose reforms he may deem necessary.

"c) To prepare a classification system for the posts of teachers and administrative personnel and to present it to the ministry.

"ch) To promote and encourage the development of training programs for the administrative employees of the Education Ministry.

"d) To study requests for leave, retirement, acknowledgments, and vacations from teachers, professors, and administrative employees of the Education Ministry; to propose to the executive branch how to resolve requests on which the executive branch must rule; and to resolve the requests it must resolve based on the law and on Education Ministry regulations.

"e) To supply to the Education Minister and to the Ministry's department heads and directors all the reports and advice they may request regarding the managing of Education Ministry personnel.

"f) To issue resolutions on personnel problems that are within its purview and to draft the resolutions and decrees on personnel problems that must be signed by the Minister or the executive branch.

"g) To recruit candidates to fill Education Ministry vacancies.

"h) To review the applications, credentials, and records of job candidates and to recommend to the Minister who should fill a vacancy.

"i) To consider the applications of candidates for education and administrative positions."

Third Article: Article 13 of Law No 12 of 1956, which was modified by Article 8 of Law No 82 of 1963, will now read:

"Article 13: The Personnel Directorate will avail itself of all possible media sources to announce vacancies as they appear, specifying whether they involve temporary or permanent jobs, their category, and the minimum requirements applicants must fill for each particular post."

Fourth Article: Article 16 of Law No 12 of 1956, which was modified by Article 9 of Law No 82 of 1963, will now read:

"Article 16: The Personnel Directorate will take into consideration for filling vacant positions only the applications that are received."

Fifth Article: Article 17 of Law No 12 of 1956, which was modified by Article 10 of Law No 82 of 1963, will now read:

"Article 17: Job candidates will compete for job vacancies in teachers and professors posts only during the end-of-year vacation period.

"Candidates for other vacant positions will compete, in accordance with institutional requirements, whenever a post becomes vacant. Once the merits of each candidate are reviewed based on on legal dispositions and regulations, the Personnel Directorate will present to the Education Ministry a list with the names of qualified persons who occupy the first three (3) places along with the respective technical-support reports. This information will be used to fill temporary or permanent vacancies.

"The Personnel Directorate will publish the names of the selected persons."

Sixth Article: This Decree-Law modifies Articles 1, 7, 8, 9, and 10 of Law No 82 of 1963.

It repeals Articles 3, 4, and 5 of Law No 12 of 1956, which were modified by Law No 82 of 1963, as well as Article 159 of Law No 47 of 1954 on education, which was modified by Law No 82 of 1963.

It repeals any disposition contrary to this Article.

Seventh Article: This Decree-Law goes into effect as soon as it is made public.

For Release and Publication

Issued in Panama City on the xxxxx day of the xxxxx month of 1989. [day and month omitted as published]

[Signed] Francisco A. Rodriguez P., provisional president of the Republic
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Elmo Martinez Blanco, commerce and industries minister
Maruja Bravo, acting labor and social welfare minister
Jose Renan Esquivel, health minister
Arturo Diez P., housing minister
Gustavo R. Gonzalez, planning and economic policy minister
Augusto R. Valderrama B., Presidency minister

Decree-Law No 5 (Dated 9 October 1989)

Whereby measures pertaining to the tariff system are adopted.

The provisional president of the Republic decrees:

Article 1: Articles 19 and 22 of Law 3 of 20 March 1986 are abolished.

Article 2: This decree-law abolishes all opposing provisions, and goes into effect from the moment of its promulgation.

For Release and Publication

Issued in Panama City on the xxxxx day of the xxxxx month of 1989. [day and month omitted as published]

[Signed] Francisco A. Rodriguez P., provisional president of the Republic
Carlos Ozores Typaldos, provisional vice president of the Republic
Olmedo David Miranda, minister of government and justice
Jorge Eduardo Ritter, foreign minister
Orville K. Goodin, finance and treasury minister
Juan Bosco Bernal, education minister
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Arturo Diez P., housing minister
Gustavo R. Gonzalez, planning and economic policy minister
Augusto R. Valderrama B., Presidency minister

Decree-Law No 6 (dated 9 October 1989)

"Whereby Law 46 of 20 November 1979 is abolished."

The provisional president of the Republic, in full use of his legal faculties, decrees:

Article 1: Law No 46 of 20 November 1979, whereby the National Education Coordinating Commission was created, is abolished, and other measures have been adopted.

Article 2: This decree-law abolishes Decree No 217 of 17 December 1979, and all opposing legal provisions.

Article 3: This decree-law will go into effect from the moment of its promulgation.

For Release and Publication

Issued in Panama City on the xxxxx day of the xxxxx month of 1989. [day and month omitted as published]

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Augusto R. Valderrama B., Presidency minister

Decree-Law No 7 (of 9 October 1989)

Regulating the right to assembly in general

The provisional president of the Republic decrees:

Chapter I

On Legally Recognized Groups

Article I. The right to association can be freely exercised by residents of the Republic of Panama, without any limitations except those established by the Constitution and laws. Organizations or associations such as labor groups, cooperatives, and peasant settlements will be governed by their own specific regulations, and additionally by the articles of this law.

Article 2. The right to association shall be exercised through the installation of groups of all types, be they civilian, business, social, or any type recognized by Panamanian laws.

Article 3. Organizations, whose recognition and control are not covered by special laws, must be—if they are engaged in labor activities—made up of the majority of the enterprise's members where they work, and the election of its members shall not be based on social, ideological, race, sex, religious, or political discrimination.

Article 4. Groups pursuing a merely business or civilian objective will be ruled by business or civilian laws, as applicable.

Article 5. It will be up to the Electoral Tribunal to recognize and suspervise political groups, subject to constitutional norms, the Electoral Code, and other applicable laws.

Article 6. Civilian or business groups to which the law may grant their own status, independently of the status of each of their associates, shall be ruled by the law and by its own bylaws.

Article 7. The Ministry of Government and Justice will be in charge of granting recognition to, and supervising groups or foundations.

When a group receives a government subsidy or aid, the agency through which the subsidy or aid was granted will be empowered to supervise the correct handling of the subsidy or aid received.

Subsidies, in general, received by groups may be used only for legal purposes.

Chapter II

Associations

Article 8. Groups not ruled by any special legal regulation and which are recognized through the Ministry of Government and Justice shall be ruled by the regulations established in these decree-laws.

Article 9. Without relinquishing any requirement stated in special laws, anyone requesting recognition for a group must pr:sent the following documents:

a) Power of attorney granted to a lawyer, and a written request containing basic information and stating the legal norms upon which the request is based.

b) Copy of the bylaws certified by the person provisionally empowered to do so.

c) Copy of the minutes of the founding meeting, duly certified as indicated in the previous paragraph.

d) Duly certified copy of the minutes of the meeting in which the bylaws were approved.

e) List of the founding members, including their I.D. number and signatures.

f) Names of the officers elected.

Article 10. The statutes of every association must state:

a) The name of the association. If the association is a legal entity that has destined any properties or resources for a specific legal purpose, whether it is philanthropic, religious, scientific, artistic, sport, or other general nature, the word "foundation" must be included somehwere in its name.

b) Its home address.

c) Its purpose and the means to achieve it.

d) Procedure whereby members are accepted or removed; rights and duties of same.

e) The right of every member to legally impugn any decision he has not endorsed and that violates the law or the statutes or constitutes a crime. The impugnation procedure will be carried out in accordance with the judicial code's summary proceedings.

f) Resources of the association and name of the organ in the association that will establish periodical dues, if any.

g) Ruling organs, procedure for forming, convening, and completing them, and manners of decisionmaking, making public announcements, and acting.

h) Organ or person that represents the association and scope of the authority of said organ or person.

i) Mode for setting up branches, if authority for such an action exists.

j) Conditions for and manner of extinction.

k) Procedure to amend the statutes.

l) Procedure to dissolve and liquidate the association.

Article 11. The name of the association will be its exclusive property.

When the purpose of an association is to maintain an institution and the name of the latter is different from that of the former, the two associations will be equally legal.

No association can adopt a name identical to that of another already registered or so alike that the two can easily be mistaken.

The name of an association must indicate its nature, objectives, purpose, or alleged activities. The association may not be advertised in such a way that its name leads to confusion as to its nature and operation. Such names include "society," "company," "corporation," or similar, except if its activities are other than those stated in Article 4 of this decree-law.

Article 12. The statutes are allowed to stipulate restrictions for the members's functions in the association, their right to vote, and separation. The association, however, cannot change or expand these restrictions or eliminate the members' rights as stipulated in the statutes without first amending the basic regulations.

Article 13. These are the essential ruling organs of the association:

1. The Assembly or General Meeting. This constitutes the association's highest organ.

2. The directive organ whose name will be stipulated in the statutes, made up of at least five members, who of necessity will include a president, a secretary, a treasurer, and a sergeant-at-arms.

Article 14. No organization or association can be advertised or act as such without having been recognized as a legal entity by the Ministry of Government and Justice. Violation of this article will be punished according to Article 40 of this decree-law. The penalty will fall on the persons who carry out actions in the name of a still unregistered organization or association. As long as the Ministry of Government and Justice has not recognized the association and the pertinent documents have not been registered at the public registry office, the association's resolutions, pacts, or documents will have no legal effect on third persons. The founding members of the association will be held jointly bound for the obligations contracted under such circumstances in the name of the association, regardless of the corresponding criminal penalty.

Once the association has been authorized and registered, it will be held responsible for the actions carried out by its organs in the exercise of their assigned functions. The members' responsibility will be limited to the contribution each has made to the association, except the profits resulting from willful misrepresentation or guiltiness of the member in the acts he personally has consented to.

Article 15. The branches may form a different corporation from the main one when the bylaws allow this. If this is the case, then the bylaws of the branch office will clearly outline the responsibilities and relationship between the branch and its main office, especially when the main office is dissolved or disappears.

Chapter III

Working

Article 16. The fiscal and the administrative term for the association's directors will be for 1 year. A yearly general assembly should be held to hear their board of director's report covering the previous period, and to elect new directors for the subsequent year. The directors may be reelected.

Article 17. In addition to the minutes of the meeting, the associations should keep an up-to-date record of its members and the required accountants' books.

Article 18. The associations may have their own offices or open one for their meetings. However, when illegal

acts take place at these premises, which go against morals, good behavior standards, or cause disorders, the authorities may order the premises closed.

Meetings, conferences, and acts in general that are unrelated with the association's goals and purposes are forbidden, excepting legal social and cultural acts.

Article 19. The board of directors' president shall be the association's legal representative and should have a general power of attorney, unless the statutes restrict these powers. In this case the president shall have only the powers those statutes confer upon him.

Article 20. The treasurer shall have custody of the association's funds and if the statutes specify, the treasurer should put up a legally accepted handling bond or guarantee.

Article 21. The secretary shall record the minutes, take care of the correspondence, the association's documents and files, and shall take charge of their safekeeping.

Article 22. The master of arms [fiscal] will ensure that the association strictly observes the law and the association's statutes.

Article 23. The association shall only be allowed to purchase the real estate strictly needed for its work or the premises for the public's benefit the association may support. These public benefit premises will not be allowed to take part in profitable activities, even indirectly, except for the associations mentioned under Article 4.

The above notwithstanding, the associations may keep the real estate that may be donated to them for the purpose of earning income to conduct their work.

Article 24. The business of all associations are subject to the government ministry's scrutiny, which can, at any given moment, examine the association's books and documents and question the board of directors on the association's activities, finances, and the general handling of the association to determine that it is complying with this decree-law, the rules and statutes of the respective association or foundation.

Chapter IV

On Federations

Article 25. Two or more associations can unite, if such a decision is approved by general assembly majorities, to work on common objectives as long as the goals established in their statutes are similar.

For a federation to be created and to exist, it is essential that the associations that compose it have previously secured a legal status. Federations will obtain legal status through the Government and Justice Ministry by meeting the requirements that apply on associations wanting legal recognition.

Article 26. Associations and federations acknowledged by the Government and Justice Ministry may not affiliate with any association that functions under special laws and whose legal status depends on another source of authority.

Article 27. Federations will have their own legal status, which will be independent of the legal status of the associations that compose it.

Federations may also function with the names of "confederation," "league," "union," or any other name authorized by the Government and Justice Ministry. Federations must add their chosen title to their names and include them in documents, advertisements, and letterheads, which single associations may not use.

Article 28. Federation statutes will determine the type of relations that will exist between a federation and the associations that compose it.

Article 29. A federation will be considered a national federation when at least 51 percent of the members of civic associations having the same objectives or goals in the national territory are affiliated with this federation.

Article 30. A federation will be considered a local federation when it does not meet the requirement listed in the previous article, even though the associations that compose it may have their headquarters in various parts of the country.

Article 31. Each association represented in national or local federations will be ruled by the statutes and regulations of the particular association, which has the right to terminate its affiliation with the federation at any moment based on its statutes.

Chapter V

Extinction

Article 32. An association becomes extinct:

a) When the number of eligible members is less than that demanded by the laws and regulations.

b) When it no longer meets the goals for which it was created or when it violates rules related to its constitution and functioning.

c) Once the temporary or transitory goal for which it was created is accomplished, or when it is not legally or materially incapable of meeting that goal.

d) Due to a loss of legal capacity resulting from a declaration of insolvency or bankruptcy; modification of goals, or change in its original structures. It is understood that there is a renewal when in accordance with the statutes or in the absence of specific procedures, a reelection occurs.

e) Based on a decision by a competent authority, when the association violates prohibitions mentioned in article 34.

Article 33. A federation becomes extinct:

a) When it incurs the causes for extinction mentioned in the previous article.

b) When its affiliates incur the causes for extinction mentioned in the previous article, or when—in the same case—only two causes remain.

c) Due to a violation of the regulations concerning its constitution or functioning.

Chapter VI

Prohibitions

Article 34. Civilian associations and federations are forbidden to:

1. Carry out activities that violate laws or statutes approved by the Ministry of Government and Justice.

2. Devote themselves to political propaganda activities or political announcements, except in the case of political associations.

3. Use the funds of the association or federation for purposes other than those listed in the bylaws as belonging to the organization.

4. Carry out, abet, tolerate, protect, or support in any way activities that are subversive or that are punishable by law.

Chapter VII

On Dissolution and Liquidation

Article 35. The provisions of this chapter will be applied in the absence of legal provisions that regulate this area for particular organizations.

Article 36. Whenever an association commits one of the infractions prohibited in Article 34, the Ministry of Government and Justice will order the association to desist immediately from said activity and will establish a deadline for the association to prove to the ministry's satisfaction that it has indeed halted the prohibited activity. If, at the expiration of the deadline, the association has not desisted from the prohibited activity, the Ministry of Government and Justice will order the dissolution and obligatory liquidation of the association in line with the procedures established in this chapter.

Article 37. The only recourse from the Ministry of Government and Justice's decision is the appeal for reconsideration, which is the final government channel.

Article 38. An association may be dissolved for any of the reasons established in its bylaws, by prior agreement of the associations's general assembly or board of directors, or by the Ministry of Government and Justice, pursuant to Article 36. Dissolution will be effected in accordance with the following rules:

a.) The Ministry of Government and Justice, or the corresponding authority in the case of associations regulated by special laws, will appoint one or more administrators.

b.) The document determining or ordering the dissolution will be forwarded to the Public Registry, so that the fact can be recorded. Once this is done, the association may engage only in such activities as are necessary for its liquidation.

c.) Liquidators will be appointed, and the powers conferred upon them will be defined. These powers will be at least those corresponding to a general power-of-attorney with authority to carry out all acts of administration and disposition required for the liquidation of the association.

d.) Once the liquidation is completed, the liquidator will present a report on the liquidation procedure, which will be approved by the Ministry of Government and Justice within 2 months. Within this time, any person who believes that he has a claim against the association must prepare that claim. If the claim is one leading to litigation, the ministry will suspend approval of the report until the courts have resolved the dispute in line with the pertinent provisions of the Judicial Code.

e.) If the appointing organization [entidad nominadora] sees irregularities in the report, it will inform the competent authorities, who will rule as appropriate; otherwise, it will approve the administrator's report.

Article 39. The provisions related to liquidation contained in the Code of Commerce will apply as supplements to this law.

Chapter VIII

Sanctions and Procedures

Article 40. Infractions on the regulations of this decree-law will be punished with fines from $20 to $5,000, depending on the severity of the offense, pursuant to the procedure established below, unless the infraction calls for the disbandment and liquidation of the association by the Ministry of Government and Justice.

Article 41. This procedure will be automatically carried out, adhering and abiding in each case to the principles of procedural expediency, streamlining, lack of formalism, publicity, and impartiality, while none of this precludes the defendent's right to take the iniative or defend himself.

A class action suit will be filed to denounce associations that commit infractions to the regulations of this decree-law or commit actions that motivate their abolition.

Article 42. Once the appropriate or automatic charge is received, regarding the reports on an action or omission that could constitute an infraction or an administrative infringement, the entity in charge on learning about this matter will continue the investigation by appointing an investigation official, or a secretary instead, and it will also

order as many proofs and proceedings as needed to clarify the facts and establish the corresponding liabilities.

Article 43. Based on the work undertaken, a list of charges will be drawn up containing the charges. The accused or his representative will be personally notitified and will have a period of eight (8) days to answer the list of charges and submit a written reply containing the evidence he intends to use on his behalf. If the accused accepts the charges, the corresponding punishment will be imposed without further procedures; otherwise, the process will be pursued until its conclusion.

Article 44. The fundamental facts on which a decision can be made can be determined by any type of evidence allowed under our legal system based on the following rules:

a) The prosecuting attorney will grant a period to present evidence that will not be more than five (5) days or less than 10 days [as published] so that as much evidence can be heard as deemed pertinent.

b) The accused shall be notified well in advance of the start of the proceedings necessary to present the evidence that would have been admitted.

c) The appropriate notification shall include the place, date, and time the evidence shall be presented.

d) Whenever the presentation of evidence is to be made directly by a government entity, that entity does not have to pay the cost for this work, an advanced payment from the accused can be demanded, without precluding that the association can be definitely abolished once the evidence has been presented. The advanced payment must be paid in full to guarantee that this fund is supervised by the General Comptroller's Office.

Article 45. Once the period of presenting evidence is over, the accused will have a period of five (5) days to present the arguments he deems appropriate.

Article 46. Once the rebuttal period is over, the appropriate authority must rule on the proceedings through a resolution that will be issued within the next ten (10) days.

Article 47. The party affected by the ruling may take action against the resolution mentioned in the above article through the special laws, and should these laws not be applicable, that party may file an appeal.

Title [as published] IX Final Provisions

Article 48 (Temporary) Associations which had already been granted legal status when this decree-law goes into effect will have a period of six (6) months to adjust their charters to the provisions of this decree-law. This period may be extended by the Ministry of Government and Justice when there are justifiable causes for such an extension.

Article 49. This decree-law will not be applied to associations, organizations, or federations of government workers, or to religious associations. Nor will it be applied to parent associations, which will be subject to the provisions and regulations of the Education Ministry.

Article 50. This decree-law supersedes any provision that runs contrary to it, and will go into effect as soon as it is promulgated.

For Release and Publication

Issued in Panama City on the xxxxx day of the xxxxx month of 1989. [day and month omitted as published]

[Signed] Francisco A. Rodriguez P., provisional president of the Republic
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Augusto R. Valderrama B., Presidency minister

Decree-Law No 8 (Dated 9 October 1989) which dictates provisions related to the Official Gazette.

The provisional president of the Republic decrees:

Article 1. The Official Gazette is the organ of publicity of the state, in which laws, decrees issued by the Cabinet, executive decrees, resolutions, agreements, and any other document containing standards, regulations, or other matters of general interest will be promulgated. Similarly, the Official Gazette will be used for the publication of announcements, contracts, and other instruments whose publication in the gazette is expressly ordered by law.

Article 2. The Official Gazette will be directed and administered by the Ministry of the Presidency, in accordance with an internal organization established by that ministry.

The Official Gazette will have a director and a deputy director, and will also have whatever staff is necessary for the fulfillment of its functions. The staff will be appointed by the executive branch.

Article 3. The Official Gazette will be published on working days, but may be published on nonworking days in cases of emergency or for reasons of general interest.

Article 4. All issues of the Official Gazette will be sent, free of charge, to agencies of the Judicial Branch and the Attorney General's Office, to all government agencies, to

the National Archives, to national, provincial, or municipal public libraries, and to universities and high schools in general. They will also be sold to the public in general.

Article 5. The Official Gazette is authorized to prepare, when deemed appropriate, issues and compilations of codes, laws, and other national regulatory instruments, to be sold at prices set by the Ministry of the Presidency.

Article 6. The executive branch will establish the internal structure and regulations needed for the due execution of and compliance with this decree-law.

Article 7. The present decree-law revokes Law No 73, dated 18 June 1941, and all provisions that run contrary to it.

Article 8. This decree-law will go into effect as soon as it is promulgated.

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Foreign Minister Kam Sworn In, Explains Goals

PA1310003489 Panama City Telemetro Television in Spanish 2320 GMT 12 Oct 89

[Text] Leonardo Kam was sworn in as the new foreign minister in a ceremony in the Yellow Room of the Presidential Palace. He replaces Jorge Eduardo Ritter. Although Ritter resigned as foreign minister, the president has assigned him to undertake special tasks linked to the country's foreign policy.

A news bulletin from the Press Secretariat of the Presidency stated that the swearing-in ceremony was headed by President Francisco Rodriguez, who acknowledged Leonardo Kam's great merits, stating: We not only recognize his vast diplomatic experience, but also his permanent participation in our country's nationalist struggle. We are sure that such a nationalist fervor will be maintained and be firmly expressed abroad, especially at these crucial moments for the fatherland.

The strengthening of Torrijist principles in foreign relations and the improvement of the country's independence are goals of newly installed Foreign Minister Leonardo Kam. He also referred to Panama's situation in the Group of Eight.

[Begin recording] [Kam] I think there is still much room to work to gradually rebuild the relations of friendship and cooperation that Panama has traditionally maintained with all countries of the world, particularly the Latin American countries. We plan to give priority to this objective at this time. However, at the same time, we want to emphasize that we will continue to stress Torrijist principles in Panama's foreign policy.

[Reporter] What initiatives will be taken to obtain Panama's return to regional organizations such as the Group of Eight?

[Kam] I think that, as the governments of the Group of Eight become more aware of Panama's situation, and above all, of the provisional government's commitment to carry out a democratization process within the conditions that it has indicated, the members of the Group of Eight will have to think about their attitude toward Panama. [end recording]

Conditions for U.S. Dialogue

PA1310011189 Paris AFP in Spanish 0036 GMT 13 Oct 89

[Text] Panama City, 12 Oct (AFP)—New Panamanian Foreign Minister Leonardo Kam today asked the United States "to stop intervening in Panama's affairs" as a condition for establishing a dialogue that will put an end to the crisis between the two countries.

Kam said: "We are seeking dialogue and a negotiated solution to the crisis with the United States, but it must first stop its intervention, lift the economic sanctions imposed almost 2 years ago, and respect the canal treaties."

Kam assumed the post of foreign minister on 12 October, replacing Jorge Ritter who had submitted his resignation to the new provisional government which was appointed by General Manuel Antonio Noriega's regime on 1 September.

The foreign minister lamented that "friendly governments" have been "deeply infiltrated" by the United States, which is demanding Noriega's retirement as commander of the Panama Defense Forces.

Regarding the inter-American summit that will be held at the end of the month in Costa Rica, and to which the Panamanian Government was not invited, Kam said "it is the organizers who lose out."

Government, Justice Minister Lifts Curfew

PA1210224289 Panama City Domestic Service in Spanish 2205 GMT 12 Oct 89

[Text] Panamanian Government and Justice Minister Olmedo Miranda lifted the curfew, beginning today. The curfew had been established on 3 October throughout the entire national territory.

Endara Released From Hospital, Comments

PA1210173089 Panama City ACAN in Spanish 1700 GMT 12 Oct 89

[Text] Panama City, 12 Oct (ACAN-EFE)—Panamanian opposition leader Guillermo Endara was released today from a clinic in Panama City, where he has been since 9 October after ending a 20-day hunger strike.

Endara, 51, appeared to be in good physical condition, although his hair has grayed and he has lost weight.

The politician was taken home by friends and his personal bodyguards, sources close to him report.

Endara was hospitalized to normalize his metabolism after the hunger strike he carried out to support the opposition's "Not Another Cent for the Dictatorship" campaign, with which he asked his followers to delay payment of taxes and public services, and to refrain from purchasing state lottery tickets.

The opposition leader told ACAN-EFE that he will continue his struggle against the regime "through peaceful means."

Catholic Church Urges End to Violence

PA1310021389 Hamburg DPA in Spanish 0129 GMT 11 Oct 89

[Text] Panama City, 10 Oct (DPA)—Through Pastoral Vicar Fernando Guardia Jaen, the Panamanian Catholic Church has issued a call to "stop violence in a country that wishes to live in peace."

This is the first statement made by the church hierarchy concerning the coup attempt against General Manuel Antonio Noriega, which occurred on 3 October and left over 10 dead, 26 wounded, and over 37 jailed. The comment was made by Guardia Jaen at the funeral mass of Captain Nicasio Lorenzo, who was found dead in the Panamanian jail under circumstances not yet officially known.

The high prelate stated that "as Christians we reject violence regardless of where it comes from."

The pastoral vicar noted that Panamanians are a peaceful and fraternal people, thus we all must feel "called on to live in peace and to overcome hatred."

On the other hand, Luz Llena de Lorenzo—the wife of Capt Lorenzo who participated in the coup movement against Gen Noriega—denied reports to the effect that her husband had committed suicide.

The pastoral vicar said that Capt Lorenzo's death is so "absurd, violent, and unfair, and it tears the hearts of Panamanians."

Nicasio Lorenzo, one of the top executive officers of the Panamanian military intelligence, first appeared on the list of arrested officers disclosed by the Panamanian Army after the coup attempt against Gen Noriega. Later, on 6 October an unofficial report suggested that the captain had hanged himself in the Modelo Jail in Panama City.

Argentina

Menem Returns From Group of 8 Summit

PY1310022089 Buenos Aires TELAM in Spanish 0136 GMT 13 Oct 89

[Text] San Salvador de Jujuy, 12 Oct (TELAM)—The plane carrying President Carlos Menem landed at El Cadillal International Airport at 2203.

In a brief contact with the press, Menem confirmed that the Group of Eight insisted on its position of separating Panama from that international group "until that country's democratic institutions return to normal."

He also announced that the new salary policy will be defined and disseminated after 15 October.

Menem, who descended from the plane dressed in a blue and gray jogging suit, also reported that "the economy, planning and foreign ministers of the Group of Eight will meet on 4 and 5 November 1989 to define aspects pertaining to Latin American integration."

Regarding the foreign debt, the chief of state stated that "each country will continue to negotiate the problem on its own until unified ideas are achieved that will allow us to march in one direction."

Ubaldini Rejects Newly Elected CGT Board

PY1210150489 Buenos Aires TELAM in Spanish 0254 GMT 12 Oct 89

[Excerpts] Buenos Aires, 11 Oct (TELAM)—There have been two General Confederation of Labor [CGT] executive boards since last night. One is headed by commerce sector union leader Guerino Andreoni, who was elected last night during the CGT congress in the San Martin Theatre in the presence of the CGT liaison board. The other executive board is headed by Saul Ubaldini.

After giving a short speech at the CGT headquarters, Ubaldini said: "I continue to be the CGT secretary general," and he "categorically" denied that he had presented his resignation to the CGT congress.

At about the same time, the CGT liaison board members were voting in the San Martin Theatre for a new leadership, with Andreoni as secretary general and mechanics union leader Raul Amin as his deputy.

The CGT split became evident a few minutes before 1600, when the 644 pro-Ubaldini delegates walked out of the CGT congress in the San Martin Theatre denouncing "serious irregularities" in the voting lists. This came even though the representatives from both conflicting sectors insisted on the need for unity in the CGT. [passage omitted]

The following union leaders were elected last night in the San Martin Theatre as the new CGT executive board members, in absence of the Ubaldini delegates:

Secretary general, Guerino Andreoni; assistant secretary, Raul Amin; union secretary, Jose Pedraza (railway workers); finance secretary, Gerardo Martinez (construction workers); social action secretary, Pedro Goyeneche (textile workers); press secretary, Lesio Villavicencio (sugar mill workers); finance alternate secretary, Juan Racchini (soft drink workers).

Other members of the executive board are: Miguel Candore (UPCN) [National Civil Service Personnel Union]; Juan Reyes (restaurant workers); Carlos Cabrera (mineworkers); Amadeo Genta (UOEM) [Municipal Workers and Employees Union representative]; Rogelio Rodriguez (FOETRA) [Federation of Telephone Workers and Employees of the Argentine Republic]; Juan Molina (sewage workers representative); Alfredo Atanasoff (COEMA) [Confederation of Argentine Municipal Workers and Employees]; Blas Alari (paper workers); Vicente Mastropola (plastic workers); Enrique Millan (National Sanitary Works); Jose Castillo (shipyard builders); and Ramon Valle (insurance workers).

The accounting committee is made up of the following union leaders: Guillermo Diaz Oliveri (ASIMBRA) [Association of Metallurgical Supervisors of the Argentine Republic]; Vicente Taliano (UTEDYC) [expansion unknown]; Jorge Sansat (air traffic controllers); Enrique Venturini (naval workers); Angel Costa (tobacco workers); and Roberto Rodriguez (Sole labor union of building employees) [Sindicato Unico de Trabajadores de Edificios de Rentas y Horizontales—SUTERH]

Air Force Chief Comments on Condor Project

PY1210171889 Buenos Aires TELAM in Spanish 2028 GMT 10 Oct 89

[Text] Cordoba, 10 Oct (TELAM)—Air Force Staff Chief Jose Antonio Julia has said that the Condor project "will not be stopped." He also explained that this undertaking "is not related to the sale of the IA-63 Pampa plane" and the possibilities of financing the construction of the Condor.

Brigadier Major Julia said: "the Condor II is not part of a barter deal". He added: "This is an advanced project and it is not up to the executive branch to decide whether the Condor II will be exported. The Air Force is developing it; it is in the hands of the Air Force, that is all."

Defining whether this is a missile or a satellite-launching project, Julia explained: "It is propulsion unit capable of carrying a load to a specific distance and it can be adapted to any situation."

Julia also denied that foreign powers are exerting any pressure. He said: "If there are any, I am not aware of them." He added: "We should not have any trouble in developing our own technology. There might be some concern over the possible export of this technology to some countries that may use it for other purposes." He added: "it is up to the government to decide whether or not to develop this project."

Moreover, Julia admitted that the Air Force is facing difficulties over continuing the manufacture of the Pampa planes. He added: "If we do not find a partner for this undertaking, which is assured of success, only 18 Pampa planes will be manufactured." But he also said he is "highly optimistic" of finding a solution to the financial problem.

Julia also said that the Armed Forces "whole-heartedly support the process that has been implemented and the efforts being made to overcome this crisis.'

Brig Julia also said he agrees with the pardon, with "the pacification of the country, with the need to look to the future, with the need to overcome old rivalries, and with the need to begin to build a new Argentina."

Brig Julia headed the ceremonies commemorating the 62d anniversary of the military aircraft factory in Cordoba. Also present at the ceremony were Defense Minister Italo Luder, Cordoba Governor Eduardo Cesar Angeloz, and other authorities.

Oil Well To Begin Operation in Formosa Province

PY1210121289 Buenos Aires TELAM in Spanish 0326 GMT 10 Oct 89

[Text] Formosa, 9 Oct (TELAM)—Personnel of the Government Oil Deposits [YPF] northern division have reported that a new oil well that is regarded as "one of the most important in the country" will begin to operate in the Palmar Largo Basin, 600 km from this capital in the western sector of the Formosa Province.

There are 12 oil wells in Palmar Largo that are producing about 1,600 cubic meters of oil per day. Experts from the YPF office in Salta told the local press that seven other oil wells in that area are not producing because of a lack of funds to exploit them.

Chilean Official Proposes Antidrug Project

PY1210151689 Buenos Aires LA PRENSA in Spanish 10 Oct 89 second section p 4

[Excerpt] General Rodolfo Stange Oelckers, commander of the Chilean Carabineros and Government Junta member, said yesterday that the Chilean and the Argentine Governments are analyzing joint policies to fight drug trafficking along their common border.

Gen Stange announced this after an audience with Argentine President Carlos Menem in government house. Argentine National Gendarmerie Commander General Adalino Barberis and Defense Minister Italo Luder were also present.

Stange said that he and Gen Barberis are "mainly analyzing integration policies" which he considers "essential for the two countries" in their fight against drug trafficking. [passage omitted]

Brazil

Sarney Halts Privatization of Railroad Factory

PY1210132089 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Oct 89 p 1

[Text] Yesterday President Sarney canceled the auction to privatize the Railroad Materials Factory, Incorporated—MAFERSA—that would have been held tomorrow, and halted all other privatization processes that the National Bank for Economic and Social Development (BNDES) had in its portfolio. The decision was announced after a meeting between the president and metallurgical labor leader Luiz Antonio de Medeiros. From now on labor representatives will participate in the MAFERSA privatization process and the negotiations may not be concluded before the end of Sarney's term. BNDES President Ney Tavora said the cancellation of the privatization auction represents "a halt so that we may ponder" and see if the public sector will be hurt by the process.

Market Shows Confidence in Government Securities

PY1210114289 Rio de Janeiro O GLOBO in Portuguese 11 Oct 89 p 23

[Text] Sao Paulo—The financial system dismisses the possibility that the new government might not honor the internal debt represented by government securities, whose total value stands at $90 billion (378 billion new cruzados at the current official exchange rate). Leo Wallace Cochrane, the new president of the National Confederation of Financial Institutions (CNF) who assumed office yesterday, said that a default on those securities would be detrimental to the public sector because it would then find it difficult to sell its securities.

Leo Cochrane believes that the government should study alternatives, such as stretching the maturity of the internal debt paers, and noted that in the past 1-month maturity LTN [National Treasury Notes] could be exchanged for 1-year maturity OTN [National Treasury Orders] with no problem. Today, the internal debt is concentrated on LFT [Treasury Financial Bonds], which the government redeems daily on the overnight market, and on 2-year maturity dollar-pegged BTN [National Treasury Bonds].

The exchange of securities, however, must be preceeded by a program of economic adjustment in order to offer more stable prospects for reactivating production, affirms Roberto Konder Bornhausen, director of Unibanco and former CNF president. According to him, the government will not solve the internal debt problem by repudiating it; the government needs the financial market because it does not have enough resources.

Central Bank President Wadico Bucchi, who attended the ceremony at which Leo Cochrane assumed office as CNF president, pointed out that yesterday's securities

action, where demand outstripped offers by 4 to 1, proved that the market has renewed its confidence in the government.

Finance Minister on Domestic Debt, Other Issues

PY1210221689 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 89 Economic Section p 4

["Exclusive" interview with Finance Minister Mailson da Nobrega with O ESTADO DE SAO PAULO journalist David Renault and Pedro Cafardo in Brasilia on 5 October]

[Text] ESTADO: How can you control an extremely nervous market that is influenced by rumors, possible resignation of ministers, and even by electoral polls?

Mailson: There is a small but very strong group of speculators who use all kinds of information to produce panic in the markets, particularly the gold and dollar markets, and thus strengthen their position and make a lot of money. We will implement some harsh measure to try to solve that problem.

ESTADO: Could it be that the market is being affected by the presidential election; that is, by the possibility that leftist candidate may be elected?

Mailson: I do not think so. The market reacts to a series of factors: the end of the period of transition, the recent acceleration of inflation, and the end of this government's term. I agree the electoral campaign is partly to blame for the deterioration of our expectations, but it is not the main culprit. The loud announcement by some candidate that we will default on our debt and the rumors on a price freeze have made people weary.

ESTADO: In your opinion then, it does not matter if a leftist or rightist candidate is ahead in the polls.

Mailson: The possibility of the victory of a conservative candidate will obviously bring calm to the market. It is not that the possible victory of a leftist candidate hurts the market, but the possible victory of a rightist candidate helps.

ESTADO: How important is the parallel market in Brazil? Does it justify all the fuss about it?

Mailson: It is relatively insignificant in the context of Brazilian trade. We have a monthly movement of nearly $5 billion in the export and import market, plus nearly $1 billion in the capitals market. The parallel market trades an estimated $500 million which is less than 10 percent of the official market. The big effect comes as a consequence of speculation and the expectation of making an easy profit. This desire entices exporters to report less than the actual amounts received on their exports in order to exchange the dollars they receive clandestinely on the parallel market.

ESTADO: In any case, rumor and speculation play an important role in the Brazilian economy. Could you identify these sources of unrest?

Mailson: We have suspicions about who they are. But it is very difficult to give names and support the allegations with proof. Our market is quite sophisticated, yet it is represented by the figure of a rabbit. The rabbit represents a speculator who eagerly hopes to buy and pushes prices up. The same thing happens with a gold market. We have recently introduced gold futures in the market. We did so to avoid the problems we had in July. In July speculators pushed prices up to the ceiling. We know of some institutions that have financial obligations 90 times greater than their total assets. A sudden change of the rules will ruin these and many other institutions and will create much confusion.

ESTADO: Can the government, particularly the Finance Ministry, do anything to contain speculation?

Mailson: In the present situation, and with the new Constitution, the finance minister does not have the fire power he had in the past. The minister no longer controls the macroeconomic instruments nor does he have the discretionary powers he had before. Understand me: I do not defend the old order, but in the past the minister could order an administrative arrest or cut credits. The finance minister's warning during the years of the centralized government carried a lot of weight. Today the minister needs a court order to intervene anywhere. He has the powers of other ministers in democratic countries, but we do not have the stability other countries enjoy.

ESTADO: Would you say that the government's hands are tied?

Mailson: To a large extent, yes. Congress recently decided to grant a 3-percent real increase on the minimum salary and incorporate it in the social security benefit. The problems that the decision provoked are presented as the fault of the government. No one thinks that the public sector cash problems are the result of a Labor Superior Court decision. In Brazil, no one understands that economic policy decisions must be made by the government, the Congress, and the judicial branch together. But our Congress is new. It will learn.

ESTADO: Minister, it is often said that the current administration will leave an unbearable internal debt to the next administration. Do you agree with this?

Mailson: I do not agree because the debt is small in relation to the GNP. The internal debt will grow along with the interest rates as part of the economic control process we adopted. It will reach 15 percent of the GNP; that is, 3 percent more than what it reached by the end of last year. It is a significant figure, but it is much smaller than that of other countries, like the United Kingdom or Italy.

ESTADO: This means then, that the next president does not need to worry about the internal debt issue.

Mailson: Of course he must. The current high-interest policy is cheaper than allowing the complete disorganization of the economy. However, this cannot be applied for a long period of time, like one, two, or three administrations. The next administration must create the conditions to change the debt structure and extend the maturity dates.

ESTADO: The debate over the public debt is for economists, but common citizens understand that their money is being placed in the overnight market. It is thought that market will suffer a default. Do you put your money in the overnight market?

Mailson: I put the money I need during that month to pay bills in the overnight market. I put the rest of my money in a savings account. Savers may rest assured that this administration or the next will not declare a default.

The public debt is the most sacred cow of any country's fiscal policy, and no reasonable government would do anything to cast doubt on the credibility of its bonds. No one announces a default with anticipation. However when a candidate occupies the presidential or ministerial chair, he acts differently.

ESTADO: Some people maintain that the inflation rate is not a problem because the economy is indexed.

Mailson: A high inflation rate is bad because institutions cannot consolidate. Besides, people tend to take if for granted. Indexation is convenient for a short period. It is like a painkiller for a seriously ill patient: it shoothes his pains but it cannot prevent surgery. Indexation is the painkiller that keeps the body anesthetized for a certain period of time.

ESTADO: Can you describe the real illness of our economy?

Mailson: The illness of our economy is the state. It is not the state as the necessary organization of a civilized society, but its size and meddling in the ceremony which always benefits the economically most powerful sectors. The state should protect the poorest sectors; invest in the poorest regions; offer efficient health, education, transport, and security services; and participate in areas proper to modern democracies.

ESTADO: Are you frustrated because you were not able to reduce the size of the state apparatus further?

Mailson: I believe we have taken a few strides forward. I have been working on the matter with Planning Minister Joao Batista de Abreu, and also recently with Labor Minister Dorothea Werneck. We have been able to convince some people that the state is too large. But I have my frustrations, for example our failure to convince bureaucrats of the need to privatize.

When career bureaucrats Joao Batista and myself took over in 1988, we thought we could implement a real and encompassing privatization program. Today I know that first we have to make society and state employees conscious of the problem. But, incredible as it might seem, the privatization program in Brazil will be carried out with the contribution of state enterprises and their employees.

ESTADO: How will that be possible?

Mailson: Employees of state enterprises have mounted an efficient scheme of mobilizations to preserve their priviledges. Public employees know in their hearts they are defending the country's patrimony and our national interests, but they are being manipulated by a minority with particular political, labor, or corporate interests in mind. State employees do not realize they are being led down a path that will eventually make society aware that they are a privileged caste. And privileges generate hate. Absolute monarchies fell because society rejected their privileges. The French royalty was throwing parties without suspecting anything when the Bastille fell and the revolution began.

ESTADO: You made your career in the Bank of Brazil. Do you think Bank of Brazil employees are privileged?

Mailson: There is a small and very well-organized group of activists in the Bank of Brazil who work full-time to maintain their privileges. They produce newspapers and bulletins; they speak on television; and they pressure employees who resist their proposals. In this way they slowly achieve their goals, including salaries incompatible with the market and the Bank's financial situation. It is said that the Bank of Brazil will last forever. But it is society who will decide that after the election, and society will certainly get tired of maintaining privileged people in the Bank of Brazil and other state enterprises.

ESTADO: Do you have any suggestions for the future president?

Mailson: The next president will need to pave the way we have began to open with the 1989 national budget which is an austere budget with clear sources of income. He will have to use the credibility earned at the ballot box to control the excessive expectation that feeds speculation and inflation. He will also have to do what this government was not able to do; that is, drastically reduce the size of the state and end the privileges of state and private employees who abuse state benefits. I have agreed with President Sarney to open the government to the future president. We will give him all the information he may need. I will cooperate as much as possible.

ESTADO: What will you do after you leave the Finance Ministry?

Mailson: First, I am going to take a deep breath and say: I have made it. Then I will try to write a book on the Brazilian Government: its relations, powers, capacity. It will basically be a book of reflections.

*** PT Threatens To Expel Radical Factions**

*** Invasions Provoke Conflict**

33420090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Aug 89 p A5

[Article by Emanuel Neri]

[Text] The PT [Workers Party] has decided to get tough with Socialist Convergence [Convergencia Socialista], one of the many factions that have taken shelter under the PT umbrella. Last Tuesday, the party's national executive committee released a note warning that group against failing to follow party discipline. During the strike by Sao Paulo municipal employees 3 weeks ago Convergence, one of the party's most Leftist factions, distributed leaflets questioning Mayor Luiza Erundina's administration. On Thursday, the PT expelled a deputy mayor and two city councilmen in Diadema (greater Sao Paulo). Reason: their involvement in attacks on the mayor of that city, Jose Augusto Ramos (PT).

"Anyone who fails to carry out the resolutions and the internal rules of the party will be expelled," said Sao Paulo State legislator Jose Dirceu, secretary general of the PT. Convergence is his target, but his aim may also hit other groups that get obstruct PT decisions. One of them is Causa Operaria [Workers Cause], which has already virtually put both feet outside the party. Manoel Boni, one of the penalized Diadema councilmen, is an active member of Partido Operario Revolucionario [Revolutionary Workers Party, POR], a group of Cause dissidents; deputy mayor Antonio Justino and the other councilman, Romildo Raposo, have ties to Convergence. The three organized a squatters' invasion of a tract of land, and the action ended up in a physical attack on the mayor.

"In no event will we permit them (the Convergence militants) to continue competing with the PT. If they persist, they will be expelled," says Jose Americo Dias, secretary general of the Sao Paulo branch of the PT. Convergence, which controls between 4 and 5 percent of the PT rank and file, does not evidence any concern about such warnings. "Wasn't it Erundina who led the invasion of lands in the eastern zone of Sao Paulo? Well, what we Diadema councilmen did was the same thing," says Valerio Arcary, coordinator of Convergence and of the PT's national board of directors. "The party has a duty to call its mayors to task and order them to honor the commitments they assumed during the election campaign," he states.

According to PT officers, one of the reasons for the clash between the party leadership and Convergence is the latter's ridiculous demands. Convergence proposes, for example, that bus fares be frozen—even with inflation running at almost 30 percent a month—and that city employees be given raises greater than what the budgets can stand. "Convergence uses such tactics to differentiate itself and grow. But it's going to isolate itself and lose," declares Dirceu. "We will continue taking that same position," asserts Arcary. Confrontation would seem to be inevitable.

The PT command says that expulsion of the Convergence militants is not its objective. "We would prefer that they fall into line," says Jose Americo. At any rate, the party has already set up a system to identify the mavericks. From now on, the municipal and district boards of directors will activate their ethics councils whenever the "convergents" distribute leaflets expressing disagreement with party directives. The penalties are graduated in severity. First, a warning; then suspension; finally, expulsion. Federal Deputy Ernesto Gradella (SP), from the same splinter group, has already been warned.

The friction between Gradella and the PT leadership goes back a long way. An Alternate, he assumed the post at the beginning of this year, promising to vote his conscience, rather than following party orientation. "If every member or faction were to make its own decisions, there'd be no party," Dirceu points out. Arcary, however, says the PT is authoritarian in its decisions. "You don't resolve differences by expulsions, or by armwrestling," he asserts. Neither PT nor Convergence leaders believe that the dissent will damage Luis Inacio Lula da Silva's run for the presidency. "The public isn't concerned about these things," says Dirceu. "Even if expulsions occur, we will support Lula," says Arcary.

Convergence Emerged in 1978

The Socialist Convergence was established in 1978 in Sao Paulo, by activists of Trotskyist leanings who had until then been grouped together in an organization known as Liga Operaria [Workers League] and, later, in the Socialist Workers Party. It took part in the founding of the PT and is one of the extreme-Left factions that coexist within it while maintaining its own leadership, structure, and publications. In the labor movement, it has influence within the Bank Workers' Union of Rio de Janeiro.

*** Diadema Expulsions**

33420090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Aug 89 p A5

[Text] The crisis in the Diadema PT is causing an ideological clash on party policy. The expulsions of Deputy Mayor Antonio Geraldo Justino and City Councilmen Manoel Boni and Romildo Raposo for their participation in the invasion and occupation of a tract of land owned by the city established a serious precedent for the party which the City Hall always supported.

The trouble began on 4 August when 300 families invaded the land known as "Cazuza's Hole," a tract of 150,000 sq meters on which the city had planned to implement an old plan for building affordable housing. Deputy Mayor Justino and City Councilmen Boni and Romildo Raposo stated that there was no substance to that plan.

On 8 August, the city obtained a preliminary court order to evacuate the area. On 9 August, 100 of the 'invaders' went to City Hall to protest the eviction. They ended up physically attacking the mayor following an argument between him and his deputy. On 10 August, police were dispatched to the site by city authorities to evict the settlers. The people gave notice that they would resist. Lacking sufficient manpower, the police and city officials retreated.

Two traditional PT articles of faith were violated: to support squatter invasions, and not to involve police into land issues. "The PT cannot support invasions of land in rural areas and restrict them in the city. That's inconsistent," said City Councilman Romildo Raposo. The following week, the State executive committee, in an internal note to the municipal board of directors, criticized participation by the police in "land invasion issues."

Mayor Jose Augusto Ramos doesn't believe that the party is split and that his deputy and the councilmen were engaged in electioneering by their attitudes. Justino and Romildo say they will continue to support Lula. Deputy Mayor Justino said yesterday that they will continue to organize invasions of urban lands in their city and points out that they learned to do this from PT textbooks. Boni says that his "comrades" should launch a campaign to urge voters to cast blank ballots.

* Leaders Oppose Bittar

33420090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Aug 89 p A5

[Text] The differences between the PT in Campinas (100 km northeast of Sao Paulo) and Mayor Jaco Bittar didn't end with the special party conclave held Tuesday that resulted in a victory for Bittar. Some members of the party are now talking about breaking with the mayor after the 15 November presidential elections. Certainly, Bittar faces the declared opposition of his own party since that meeting.

The municipal board of directors and most of the bloc of PT city councilmen, the secretariat, and the militant rank and file are unhappy with Bittar's decision to govern without the participation of the party, thus concentrating power in his own hands in line with the resolution handed down in December by the party's national executive committee—and ratified at the municipal meeting—under which the mayors have the last word on issues on which an impasse has been reached. Bittar defended that theory and was challenged by the party, which demanded a greater role in decisions.

Tuesday's accord was reached only because of pressure from the state and national party leadership, which seeks to protect the election campaign of the party's candidate for the presidency, Luis Inacio Lula da Silva. The groups had been about to break off relations with each other. On one side was a petition signed by 68 members of the first, second, and third levels of city officials protesting the abandonment of the plan for government by committee and opening up the various posts to the party. On the other side was the mayor's unwillingness to yield to the pressures. He invoked the resolution by the national executive committee, and this ensured him the support of the state and national party leadership.

The municipal board of directors decided to retreat, having concluded that a split now would cast Bittar in the role of victim and lead to paralysis in city administration. The strategy will be to characterize Bittar's desire to centralize power in such a way that a future rupture will have the support of the entire PT. The board expects to have the Political Council on its side, which is assigned to bring about integration between the party bloc on the city council, the party itself, and the administration.

* Group Advocates 'Revolution'

33420090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Aug 89 p A5

[Text] Concerned with what it calls a "wave of democratization" within the PT and the CUT [United Federation of Workers], a small but noisy faction of the Workers Party, known as the Tendencia pelo Partido Operario Revolucionario [Movement for the Revolutionary Workers' Party, TPOR] is advocating "the proletarian revolution" as an "antidote to capitalist barbarism." That's the main theme of a document containing the conclusions of the first TPOR congress, held in Diadema on 1 and 2 July.

The group, whose leading member is City Councilman Manoel Boni—recently expelled by the PT—backs Lula in the upcoming presidential elections. However, according to Boni, the organization "demands that the party abandon its electioneering stance, organize a convention of rural and urban workers, and get ready to call a general strike of indefinite length, thereby giving priority to direct involvement of the masses in the struggle." It's a demand that doesn't worry the PT: "This is absolutely a minor group; it couldn't involve more than 50 people," says the chairman of the PT's regional executive committee, Paulo Okamoto.

The document proposes "severe and principled criticism of reformism and pseudo-Trotskyite centralism" in order to counter the "wave of democratization that is making itself felt, along with its demobilizing effects within the CUT and the labor movement as a whole." In the first of its nine chapters, the agenda for the TPOR convention analyses the "worldwide crisis" and concludes that it "finds its parallels in the darkest periods of the imperialistic phase and brings capitalist barbarism face to face with its antidote: The Proletarian Revolution."

Interspersed with slogans such as "Build the Party of the Revolution," the text analyzes the situation in Brazil as follows: "Although the national bourgeoisie may maneuver to delay and temper this process (the revolt of the forces of production), there definitely is no way to hold back its advance by capitalist methods. In reality, the

characteristics of the current crisis are typical of those of the historical impasse arrived at by the capitalist regime. In that context the only possible way out is the one suggested by imperialist capital, i.e.: destroy part of the forces of production; increase monopolistic concentration, and enlarge the extent of the misery of the masses."

Using these arguments, the members of the TPOR conclude that "the capitalist regime does not view as viable any reformist measure [for resolving] the structural crisis as, for example, [those] conceived by the leadership of the Workers' Party—PT." Further on, the text warns: "Because of the logic of their majoritarian policy, the PT and the CUT could be dragged into a sort of national accord, the essence of which is its 'petit-bourgeois' democratism."

The TPOR argues, further, that this criticism of "democratism" is justified because the elections are "instruments for containing the bourgeois crisis" and "halting the struggle of the masses (since the bourgeoisie recovers the political initiative and drags the workers along with it)." Therein lies the TPOR's greatest criticism of the PT: "The illusion that the problems will be resolved by a new popularly-elected government is a call to the working class to abandon the direct struggle and give up the idea of itself becoming a force in society, to the benefit of a power that is foreign to it."

The movement's document advocates "resumption of the escalation of strikes, now at a higher level" as its primary task, to counter the acceptance of the "electioneering by the Workers Party," the "passivity of the CUT," and "labor union bureaucratism." Without ruling out participation within the PT, the organization proposes the formation of "battle committees" in factories, neighborhoods, rural areas, and schools. One of the tasks of such committees would be to reject the idea of "elections as a power strategy" and advocate "direct battle for a workers' and peasants' government (proletarian dictatorship), which would expound the main points of the anticapitalist program and urge the immediate resumption of the strike movement." In order to achieve that, the organization also argues that CUT should "work at the grass-roots" to present to the masses the proposals for organizing battles, and to call upon them to take over the streets.

They'd All Fit in a VW Beetle

Reports from within the Workers Party itself differ, but it is possible to characterize the group that calls itself the Movement for the Revolutionary Workers Party, TPOR as an organization that could fit all its members into a Volkswagen beetle or, at most, in a bus. The TPOR was created in 1988 by some PT members, including former members of the Fourth International Organization who were responsible for the publication of the newspaper CAUSA OPERARIA and were also known as the CO in the tangle of internal PT acronyms.

The most notable member of the TPOR is Diadema City Councilman Manoel Boni, who was expelled from the PT on 16 August after having been one of the organizers of the invasion of a 150,000-square-meter tract of land where the city had planned to build public housing. Boni said he left the CO "because it rejects the dictatorship of the proletariat."

Army Raids Slum To Recover Stolen Weapon

PY1210181489 Rio de Janeiro Rede Globo Television in Portuguese 1530 GMT 12 Oct 89

[Text] More than 200 soldiers and military police raided the Rosinha slum in the southern part of Rio de Janeiro in an effort to recover a rifle stolen from a soldier on Monday morning.

Army soldier Henrique Andrada de Oliveira was serving at the Copacabana Fortress. He died in an attack.

The operation at the Rosinha slum began at approximately 0900. Wearing bullet-proof vests and carrying heavy-caliber weapons, the Army soldiers tried to find a rifle that was stolen early on Monday morning. The operation is supported by the military police.

The soldiers are thoroughly searching some property behind a public school. The Army has received reliable information that the weapon was buried there.

Last Tuesday morning, soldier Henrique Andrada de Oliveira, 18, was found in critical condition after sustaining several bayonet wounds. He even lost an ear. The Army command believes that the soldier was the victim of a robbery attempt because the rifle he was carrying was not found. He was standing watch at the Copacabana Fortress in the southern part of Rio de Janeiro. He died a few hours later in the hospital.

The Eastern Military Command has reported that the Rosinha operation was planned this morning when an arrested man confessed to stealing the weapon. This man has not yet been identified.

Chile

Corvalan Stand on Paramilitary Groups Rejected

PY1210123889 Santiago Radio Cooperativa Network in Spanish 2300 GMT 11 Oct 89

[Text] The Coalition of Parties for Democracy has released a public statement regarding declarations by Luis Corvalan, the former secretary general of the Communist Party of Chile, upon his return to the country after several years in exile. After expressing their patriotic and personal satisfaction over the return of the communist leader following the pain of a long exile, Enrique Silva Cimma, spokesman for the opposition coalition, said:

[Begin Silva Cimma recording] Nevertheless, we deeply disagree with Mr Corvalan when he said that in the current stage of democratic recovery, which will formally get under way with the popular election of the next

president of Chile and the officials of the national Congress, military or paramilitary groups are needed to prevent an eventual coupist backslide in the process that was initiated by the Chilean people in their historical triumph in the 5 October 1988 plebiscite. Those armed groups did make not that triumph possible nor will they play a role in the process of democratic reconstruction. The Chilean people should be organized in unity and discipline. The country is tired of violence, and of the military and paramilitary groups that the regime has systematically used to impose its autocratic will. The country does not want, and rejects, military and paramilitary groups that say that they are intent on crushing the dictatorship and say that they are contributing to the cause of democratic recovery. [end recording]

The Coalition of Parties for Democracy says in its public statement that organized violence intended to fight those who seek to continue the dictatorship only encourages their desperate campaign to break the hard-won unity of the opposition and to destabilize the current process of democratic transition. Finally, the public statment by the Coalition of Parties for Democracy notes that it appreciates the declaration by Luis Corvalan pledging cooperation and effort for the success of Patricio Aylwin in the future government.

* Formation of Electoral Pacts Reported

33480280a Santiago ERCILLA in Spanish
16 Aug 89 pp 6-7

[Article by German Gamonal: "The Center-Right Divided"]

[Text] Four presidential candidates (one from the opposition and three from the "other sector") have registered for the December elections.

As the deadline to register for the elections for president and the Chamber of Deputies expired, there was a big surprise: the opposition registered two lists of candidates, and the center-right five separate ones.

Not even the keenest observer or the strongest opponent of the sector could have foreseen the surprise on "the sad night for the center-right." In organizing its electoral pacts, the center-right showed a lack of political realism and high-mindedness.

Unless they reach minimal accords during the remainder of the campaign, the results in many districts could have a tremendous impact.

The Presidential Candidates

Patricio Aylwin was put forth as the only candidate of the opposition Coalition and of other groups in the sector, including the Broad Party of the Socialist Left (PAIS) and the Communist Party (PC), which lent its support to his candidacy without strings or commitments of any kind. Aylwin is running for the highest political office at the age of 72, after discharging major political functions in his group.

The center-right candidates are 40-year-old Hernan Buchi Buc, the successful former finance minister. He has the support of the two most representative parties of the center-right: the Independent Democratic Union (UDI) and National Renewal (RN). RN decided to back the independent candidate 30 hours before the deadline for candidate registration expired and after the president of RN, Sergio Onofre Jarpa, declined the nomination in an "act of political realism."

Dr Fernando Monckeberg also registered, but without political support, although a large number of independents still back the physician who has spent years studying and improving the health of mothers and their infants.

And finally there was the independent candidacy of businessman Francisco Javier Errazuriz, who has garnered significant political support in recent days, in addition to the nonparty groups that were working for his nomination. In June the polls showed him with 29 percent of the vote (CEP) [Center for Political Studies].

The Deputies

More than 500 persons, of whom less than 10 percent were women, were nominated for deputy on the seven slates of the political parties or as independents.

Among the candidates are some 30 former members of Congress who are seeking to return after 20 or more years. There were several surprises on the lists, names like Juan Luis Mauras, who belonged to the Radical Party and then to the National Party. He was the president of the Chamber of Deputies and of the Senate and is now an independent candidate from district 3 in Tocopilla, Maria Elena, Calama, and San Pedro de Atacama.

Among the former deputies who want to return to the chamber we can mention Eduardo Cerda, Gustavo Ramirez, Carmen Lazo (this time as an independent), Osvaldo Vega ("el guaso" [country boy]), Rafael Otero, Gustavo Cardemil, Anibal Scarella, Maria Maluneda, Mario Hamuy, Carlos Dupre, Luis Preto, Luciano Vasquez, Wilna Saavedra, Mario Palestro, Maximiano Errazuriz, Andres Aylwin, Vicente Sota, Esteban Leyton, Gustavo Ramirez, Joaquin Morales Abarzua, Claudio Huepe, Roberto Munoz Barra, Hardy Momberg, Baldemar Carrasco, and others.

The Pacts

The opposition Coalition hammered out one "big" pact and, by common agreement, another "small" one. The latter is designed to bring in opposition candidates who belong to parties that are not part of the bloc. The "small" pact was signed by PAIS and the Democratic Socialist Radical Party (PRSD). This bloc is running candidates in only 17 districts, while the opposition "big boys" are running in all of them.

Under the constitution, the country has been divided into 60 districts, which will elect just 2 deputies each for a total of 120. The lists with the biggest majorities in each district are the winners. If a slate has just one deputy, whoever gets the most individual votes wins.

The law has been drawn up to favor the large conglomerates and thus, on the center-right, could help the bloc consisting of RN, the UDI, and the independents.

The center-right occasioned surprise on Friday night when it submitted five slates of candidates:

1. "Democracy and Progress," which is made up of the large center-right parties: UDI, RN, and independents, and is running 120 candidates;

2. "Center Alliance," which submitted 68 candidates. This pact consists of the Radical Democracy (DR) and National Vanguard (AN) parties, together with independents who belong to the Social Democratic Party that is forming and that is headed by Armandiela Castillo (Venegas sector), representatives of the Great Front of Chile, led by Carlos Cabello and Fidel Reyes, and some members of the Free Democratic Center (CDL) who are running on their own. This bloc was organized at a home on Francisco Bilbao Avenue, which became known as "the House of the Eight" because the CDL, the Party of the South, and the National Party (PN) were initially involved in forming it; these groups later dropped out;

3. The Liberal-Chilean Socialists Pact, which was formed just minutes before the deadline expired after meetings between Hugo Zepeda and Guillermo Toro, representing the Liberal Party (PL), and Guido Briceno, Carlos Arroyo, and Ximena Moraga representing the PSCH [Chilean Socialist Party].

As a result of this accord, the Party of the South withdrew from the pact. The president of this regional group, Eduardo Diaz Herrera, indicated that he could not "walk alongside Marxists."

4. The Party of the South presented its 17 candidates without any sort of pact and only in the three southern regions, with the Mapuche people heavily represented among the candidates.

5. Finally, the PN registered its slate without any pact either, as its electoral commission failed to come to terms with RN and the UDI when it demanded candidates in three contiguous regions to prevent the party from disappearing in the eyes of the law. Patricio Phillips and Jorge Martinez registered 23 candidates just minutes before midnight.

Political Consequences

The biggest surprise came from the center-right, as it failed to unite around a single slate, which could cause several candidates to go down to defeat. All of the groups blame each other for the split, but there was overeagerness on the one hand and too little desire to reach accords on the other. The "big" list has the best chance; it is made up of RN and the UDI, whose leaders offered a "significant" number of spots to the DR and PN while ignoring other groups such as Alvaro Bardon's CDL and AN. RN and the UDI said that the split would not hurt them much. The National Party people indicated that "because of the arrogance of some, motivation has returned to the PN" and that they would fight to keep their group alive. The DR refused to go along with "the big boys," citing as its reason not the lack of spots but, in Jaime Tormo's words, "the implied vetoing of our senatorial candidate Julio Duran."

As the lists were being drafted, some spokesmen who acted as "forces for unity" suggested, without saying as much, that they were representing the president of the Republic in these efforts. The chief of state, Augusto Pinochet, countered these murmurings when he stated publicly that he is not involved in any partisan activity and repeated that the government would stay out of the elections completely.

The concern in government is the formation of a new cabinet, which could be sworn in today. For his part, the president is working on a major speech that he will deliver as commander in chief of the army on the 23rd of this month at the Military School.

The political world is preparing the slates of candidates for the Senate. The deadline is midnight 7 September. Before that, however, the law that reconciles the recent constitutional reform with several provisions, including the division of the regions in which four senators will be elected, must be passed.

And then comes the election campaign proper.

*** Sources of DC Financial Support Viewed**

33480282c Santiago QUE PASA in Spanish 31 Aug 89 p 14

[Article by Paula Coddou: "Money for Aylwin's Campaign: Let's Have It, Let's Have It!"]

[Text] The heater and the two chairs in Enrique Krauss' office seem to belie what some assume: that Patricio Aylwin's campaign has solid financing. Krauss, the executive secretary, shatters the myth: "Our campaign is not expensive. We don't have that much backing from financial sectors."

To cover some of the $2.5 million that they estimate the campaign will cost, some members of DC [Christian Democracy] have gone into debt. They have taken out personal loans that, if not repaid, would put several of Aylwin's friends in a tight spot.

An apparently tragic situation. The fact is, however, that it is not that dramatic. Without government financing, international businessmen and comrades "have begun to lend a hand," they are saying. Among the former, who are by nature pragmatic men, Cardoen, Luksic, and Carey, who are friends of DC leaders, have made contributions. A major consortium that is a symbol of the

Chilean right has also pitched in. It is true. However, it has not sent its contribution (which is not money) directly to the Aylwin Command but to the DC.

"Ask me who's not supporting us financially," remarks one comrade euphorically. He explains: "Everyone is giving Buchi money. Only the big ones are giving to Aylwin. The small and medium-sized businessmen, in contrast, are not. They grew under this government." These are the people whom Krauss calls "Buchi's ayatollahs."

The contacts with businessmen began in February. Andres Zaldivar, the current DC president, has been a key man in this rapprochement. Called "chico," he is a man with far-reaching business ties. He is seen there as a serious and very reliable politician. According to one source, contributions from the business world are going to people with first and last names rather than to parties.

When it comes to supporting a Socialist, though, things become more complicated and fund-raising efforts more laborious. "To get money you have to turn to Francisco Pinto or Alvaro Garcia (treasurers of the command) and present plans or budgets. If Zaldivar or someone else with contacts did it, he would only have to talk with a few friends," one Christian Democrat acknowledges.

Although the people in the command hail the fact that some businessmen have decided to support the campaign on their own, there is criticism as well. One is that some pro-Aylwin businessmen are not that enthusiastic about passing the hat when the time comes. A specific example: At a dinner that Carlos Cardoen gave for "Don Patricio" "nothing was collected, even though we were all willing to make a contribution," remarks a businessman who attended the function.

In the judgment of one Christian Democrat, the reason for this lack of initiative is that funding is coming from overseas, although this year, given how close at hand political change is, such assistance has been harder to extract. In other words, fists have become somewhat tighter. And the parties have already been told: once democracy is in place, "no more aid."

For the time being, some of the funding can come via the Konrad Adenauer Foundation, which gives the DC marks by way of the Chilean Institute of Humanistic Studies. The Adenauer Foundation, which has traditionally behaved with caution towards the party, is showing more flexibility today. The foreign money does not embarrass the Chilean DC. It sees it as "solidarity from comrades around the world."

The money from Italy does not pass from comrade to comrade. The circle is broader because Aylwin's candidacy is supported by a multiparty group. DC leaders are not the only ones who have traveled to Italy (Aylwin, Zaldivar, Krauss, and Gutenberg Martinez). There are other expeditionaries too. Socialists like Ricardo Lagos, Eric Schnake, and Ricardo Nunez "have also done some hitting-up. But more than asking for money, they explain what is going to be done. Because the Europeans don't give money just like that either," notes one Christian Democrat.

No one wants to hear anything about American dollars. They are expensive, in the sense that they have strings attached. This is a hindrance to the DC, which has friends elsewhere who neither make demands nor submit bills. For example, the CDU (the German Christian Democrats), which is markedly conservative, has never played favorites with its assistance; it loves its Chilean comrades just the way they are. In contrast, the Ford Foundation in the United States, which financed the CERC [Center for Contemporary Reality Studies] until last year, cut off its aid because the center, while remaining a research institute, also became involved in the campaign.

The foreigners have asked the parties to unite. According to one source, an emissary of the Spanish Government of Felipe Gonzalez notified Ricardo Lagos that there would be aid as long as the Coalition stayed together. He adds: "We didn't see one peso until Aylwin was nominated by us all." He goes on to say: A contribution that the Italian DC sent a few months ago was even held up here, to press for the formation of a command that had a stronger DC profile. One DC analyst sums it up: International solidarity is appreciated, but the funds to finance the campaign can be raised in Chile. So far they have not lacked for money. The cost of Aylwin's swing through the Third Region, which cost 350,000 pesos, was defrayed. The command's headquarters on Colon Avenue ("which Don Patricio accepted very reluctantly") is on loan; its appointments, a gift. Friendless they obviously are not. The campaign is driven by faith, not just money, because as Krauss says, these are "men of hope."

* Socialist Role Under Aylwin Viewed

33480282b Santiago QUE PASA in Spanish
7 Sep 89 pp 12-13

[Article by G.G.Z.: "What Are the Socialists Up To?"]

[Text] Things have not gone well for Chilean Socialists, just as they have not for our soccer team. They long for "unity." So far it has been a fruitless quest. They do not want to hear anything more about the hegemony of the DC [Christian Democrats] or the comments that "Aylwin's party is giving them ample room in the Coalition." They are not letting up, however. They are trying to develop into "the" single, solid left-wing force, even if in the long term.

Agreed, this business of "unity" is an old story. But as 14 December approaches, what in 1988 was just a hope (other issues were more pressing) is urgent today. A merger of the PS-Arrate [Socialist Party-Arrate faction] with the PS-Almeyda before then ("I hope it happens, though I may be overoptimistic," one man confided to us) could partly resolve the problem that weighs most heavily on them and that has a name: the DC's leadership. If it were to happen, at least the balance of power in

Congress would be different and so would the pressure "to deepen the transition," another explains.

Hence, the contacts between these two Socialist groups have intensified of late. Nowadays the political commissions of the two bands meet to talk things over once a month. Moreover, consideration is being given to holding a full session of the Central Committee (in October) so that the two leaderships can be brought closer together. The problem is that issues that go beyond the near term and that are difficult to settle separate the PS-Arrate from the PS-Almeyda.

First, the Almeyda people define themselves as a revolutionary, popular and Marxist-Leninist party. Marxism-Leninism belongs to the past as far as Arrate's group is concerned. "Especially to the party's ideologues," one in the group indicates, "for whom Marxism is merely another method of interpreting history." Incidentally, sociologist Manuel Antonio Garreton even explained at a seminar that he was not in favor of defining the Socialist Party as a "vanguard" party (with the ability to guide and induce political trends) nor of maintaining the concept of "synthesis" because they both had an all-encompassing scope that had to be rejected. Such things seemed astonishing to the activists in the PS-Almeyda. As Camilo Escalona, a member of the political commission, says about the party's definition as Marxist, "the party must have that revolutionary identity. This, of course, creates controversy in the socialist right wing."

The Almeyda people are insistent: they define themselves basically as "Marxists," in keeping with an ideological document on the issue of unity that was drafted in June 1987. Omitting "Leninism" was, they say, a concession to make unity possible. "We are not in favor of imposing this definition. Nor should it be concluded, however, that 'Leninism' is an obstacle that we must get rid of." When all is said and done, the rank and file have carried weight in the history of unity. And at least in the PS-Almeyda, the activists are mainly young people (between 30 and 40 years old). In other words, in 1973 they had no interest in politics. So these people are wary of unity today. Many of the activists would like the party to declare itself categorically Marxist-Leninist.

Moreover, the PS-Almeyda was furious when the PS-Arrate joined the Socialist International this year. The Almeyda people declare themselves "Latin Americanists" and want a "Chilean" socialism. This issue, although it is less controversial, is also thwarting the sought-after unity. Several Arrate Socialists are, however, reportedly willing to review that decision and, perhaps, to leave the International. The reason, apparently, is that the decision really lit things up in the party itself. The proposal (which later led to a political vote) won by 108 to 87, with 14 abstentions. Rumor has it that the abstentions ought to be added to the "nay" votes; in that case the vote would be 108 to 101, a very slim, almost uncomfortable margin.

In any event, the objective of unity, Escalona indicates, "is not to create a new center-left party." According to them, socialism acts as a "linchpin" (as "Cloro" Almeyda said) between the left and the center but not as a swinging hinge. They explain: "Of course not, because it is fixed on the left."

Not everyone wants unity. As far as the PS-Almeyda is concerned, Arrate's victory inside that faction was a "good" thing because, they feel, the new president will make things easier. They contend, however, that the ideologues in the PS-Arrate "carry a great deal of weight" and do not want to hear anything about the idea of a virtual merger.

Another person who is said to be unhappy with the idea is Ricardo Lagos because if there is a merger, the PPD [Party for Democracy] would for natural reasons tend to weaken. And Lagos' leadership could thus begin to fade. Lagos is, of course, extremely shrewd. Far-sighted and organized, in his speeches he always has a least a few words to make left-wingers happy. Two examples are the reference to Salamanca and "the paths of Allende."

Unity is more than just a socialist longing. To Socialists, the rebuilding of the left goes hand in hand with their status as "allies" in a future Aylwin government if the opposition wins the next elections. There they are, mulling over the issue of how to become involved in the future government. One of those splitting headaches. Arrate's Socialists have already taken an "Excedrin": they announced that they would be involved in leadership tasks. Almeyda's Socialists, meanwhile, are at odds. They have agreed, though, on one point: the next government must be one of national unity. They have not spelled out how they will take part because beforehand they must settle the internal differences that the issue has prompted. The differences are between: 1) Those favoring involvement in government tasks, who argue that if they take part they will be creating a space from which they can exert influence to make the transition deeper; 2) Those opposing any sort of cooperation in government tasks, who explain that the party would be subordinated to the DC and, therefore, that other parties (the DC, of course) would be conducting the "left-wing" politics; 3) Those who advocate political independence for the party but support for the Aylwin government from outside the cabinet. In other words, "well known figures" from the PS-Almeyda could join the government, without this meaning a loss of independence. The assumption is that the latter two positions command the most supporters. In any event, a decision will reportedly be made at the October plenum at the latest.

There is a reason for all this dissent in the Almeyda movement: the need to detract from the hegemony of the DC, because so far the DC has always managed to put the Socialists in a tight spot. The method that it uses is simple: negotiate with each party separately. The Christian Democrats reach an agreement with the PS-Arrate; then the PS-Almeyda somehow has to give in. Or vice versa.

The Socialists need to cut down on the ground that they are giving, or that the DC is gaining. They realize that if they continue along the path that they have chosen, their image will become increasingly blurred and they will weaken. Therefore, although they say that they "will not play the crisis game" in a future opposition government "because a coup from the far right, not socialism, would most likely resolve such a crisis," they are already thinking about how to undermine the dominance of the DC. For example? By keeping the party focused on playing a prominent role among the masses. The Almeyda people contend that the strong, organized, and autonomous social, shantytown, and union movements of the parties will generate the strength to uphold and deepen democratic changes in Chile. And there they will be. That is their hope.

* Divisions Among Conservatives Studied

33480280b Santiago CAUCE in Spanish
21 Aug 89 pp 13-15

[Article by Jose Joaquin Brunner: "The Disorderly Deployment of the Right"]

[Text] Once upon a time the right sought a father and found him in Pinochet. Today it has been looking for a son and has adopted Buchi. In both cases it has chosen, symptomatically, to be led by men who are foreign to its ranks.

In registering their candidates for deputy and splitting themselves among three presidential candidates, the forces of the right have finally completed their preelectoral alignment. Thus begins their deployment amid the utmost confusion.

Panoply of Candidates

A dominant bloc is already taking shape; its hub is PARENA-UDI [National Renewal Party-Independent Democratic Union], whose candidate is Hernan Buchi. National Renewal registered 68 members and the UDI 31 on the slates of candidates for deputy, to which we must add 21 independents.

The pro-Pinochet congressional alliance as such is reduced to National Vanguard, Radical Democracy, Venegas' Social Democracy, and the Front of Chile, the latter two being merely small opportunistic groups. The National Party, which is registered in only a few regions of the country, signed its candidates up separately. A joint slate of Zepeda's "liberals" and Moraga's "socialists" also emerged at the last minute, while the Party of the South, which now backs Errazuriz for president, registered its own candidates in the places where it legally exists. Thus, neither Errazuriz nor Monckeberg have a congressional base of support comparable to Buchi's.

Divergent Trends

The relative dispersion of the rightist forces is the result of several mutually reinforcing trends:

1. After the defeat on 5 October, Pinochet quickly began losing his role as the leader of the right but retains enough power to veto any alternative.

2. The main battle in this sector is, in fact, between the faction that wants a total status quo, that has chosen Buchi as its man, and that finds the UDI to be its main source of support, and the faction that wants to be an independent heir, that is promoted by PARENA, and that Jarpa represents.

3. The personalities and parties that were trying to end this feud (Monckeberg and Errazuriz, on the one hand, and the minor right-wing parties, including the pro-Pinochet ones, on the other) have failed in their bid to form a compromise faction, whose leader could be Pinochet himself or a moderate candidate, depending on the circumstances.

4. Under these conditions, the battle is between Buchi and Jarpa, with the government working for Buchi but without alienating National Renewal (the role played first by Caceres and then by Barrionuevo).

5. The various pieces of this complicated configuration failed to jell at the last minute and were left isolated or semicoordinated, as reflected in the registration of the three presidential candidates and the five slates of deputies.

Multiple Stalemate

In other words, there was a sort of multiple stalemate among the various strategic factions and forces of the right. The politics of continuity could not triumph on their own, neither with Pinochet nor with Buchi. The regime's independent heirs, who lined up behind Jarpa, were quickly left without government support and came under economic pressure from the group of businessmen who decided to wager on Buchi. Thus, the "hard-liners" could not win, but neither could the "soft-liners" or "aperturistas" [advocates of liberalization] prevail. National Renewal had to yield to the UDI, which in turn, to impose its own candidate, needed to acknowledge PARENA's dominant influence on the right. The small parties, for their part, were left out of the game, forced to run on their own. Monckeberg, who hoped to emerge as a compromise candidate among the various stalemated groups, wound up isolated and without organized support of any kind. Errazuriz, who enjoyed greater independence because of his personal wealth, launched his campaign early and washed his hands of the parties, but in the end was left without a slate of congressmen or stable support up and down the country.

The Man Without an Image

Buchi embodies and represents all of these contradictions. First of all there is his tormented psychology, as he took so long to choose between public and private life, which reflects the other disagreement on the right: politics or technology, charisma or organization. Buchi is thus the independent candidate who has emerged with the most commitments. To gain the support of PARENA

he has had, in effect, to follow Canossa's path and sign papers, accept memoranda, and embrace a program that he himself has not put together. He is thus an independent without his own flight plan. He is now tightly controlled by those who are constantly demanding that he show proof of his determination to run, his positions, and his stability. As a national leader of PARENA has just reiterated, "Buchi's pending task is to demonstrate his independence." A paradoxical remark, when we recall that Buchi had just been nominated by PARENA.

Buchi has never, in fact, declared himself to be on the right and he is completely alien to this political tradition. He comes from authoritarianism and the military regime. That is his tradition. Given the current many-sided stalemate on the right, however, he has the enormous advantage of lacking his own political image and profile. He is a figure without a public cachet, aside from the virtues he may possess as a technician, athlete, or private citizen. Indeed, Buchi lacks an agenda, does not have his own career, has never worked outside the Pinochet government, and does not represent interests that are embodied in society, save for his record as a public official. He is, therefore, altogether moldable.

Oddly enough, the man of the "free society" has never been anything but a government bureaucrat. Business is as alien to him as national politics is. When he speaks in public, in fact, his meager experience is reflected in his use of a "restricted code," in the stereotyped way that he refers to the country's problems, in his reluctance to make assertions, in his fear of controversy, in the sense of shame that he conveys about speaking on behalf of others or for ideals that to be real must be lived out in society and contrasted with the diverse experiences of many different men and women.

Buchi gives the impression that he comes from a greenhouse. He speaks as if he were quoting himself, as if he were following a script, as if Chile's problems were office matters. His independence seems, rather, to stem from his fear of or aversion to ideology, from a constitutional dislike of confrontation, from his lack of commitment to Chile's history. When he says that the UP [Popular Unity] era was not his era, it suggests that he has nothing to do with Chile's political past. He then puts an ambiguous distance between himself and the authoritarian regime; he is in fact removing himself from the national scene of the past 40 years and is left floating in a vacuum, and the effect is intensified by his having no roots in the parties or in any organized expression of society. The only thing that remains in the end is his admiration, which he always loyally expresses, for Pinochet; it is the only remark of his that sounds as though he means it. In contrast, every time that he emphasizes the importance of the parties, he seems to be talking about something that he is neither familiar with nor understands. The same thing happens when he falteringly refers to democracy, which he portrays almost as the result of personal virtues, somewhat like a product of tolerance, good intentions, a healthy lifestyle, and the desire to reach the highest summits.

A Vacuum To Fill

The right no doubt imagines that such a candidate (an atypical man in a vacuum) could be summoned through effective publicity and put under the control of the sector's weightiest figures. Buchi's candidacy already seems to be structured around a complex organizational chart in which the only certain thing is its origin, in other words, the lack of trust in the candidate and the need that the right feels to "compensate" for his shortcomings and flaws through traditional representatives with experience.

Under these conditions it is unlikely that Buchi can project a real image of independence. He is surrounded by stronger men who have longer track records than he does. Pinochet and his followers loom over his candidacy. Beside him are the businessmen who manage the money. Below are the parties that will actually run the campaign, along with officials of the regime. Just as during his first stint, Buchi will be relegated to the background, while more resolute men with real interests to express will take the lead and execute the strategy.

Jarpa: An Unhappy Bottom Line

Buchi even had to be anointed by Jarpa to confirm his candidacy. Jarpa has emerged from recent developments on the right as the "maker" of the candidate. This image was reinforced by the decision of the PARENA Congress, which left it up to its president to decide, by himself, to whom National Renewal would throw its support.

All in all, though, PARENA's triumph was only apparent, a consolation prize after losing the big one. It is obvious that PARENA was unable to get its own candidate elected and ultimately had to give in and accept an independent who had been imposed on it and who does not represent the stands that National Renewal has taken since 5 October. Seeing things in perspective, we could now conclude that Jarpa himself erred by encouraging a battle among several rightist candidates, inasmuch as he set in motion one whom he was eventually unable to stop and allowed another to arise who, if he goes all the way, will no doubt take votes away from the standard-bearer of the UDI-PARENA coalition. To put it another way, Jarpa may have overreacted and, what is worse, may have overrated his party's strength. Moreover, in retrospect, it now seems clear that Buchi's ultimate victory was made possible by the very fact that during the first round several prominent PARENA figures publicly displayed their enthusiasm for Buchi instead of their own, natural candidate, Jarpa. This caused a rift in PARENA and showed the UDI and the government that the party was not monolithic and that it could be pressured into choosing Buchi, as it ultimately did.

The UDI, Net Gains

For its part, the UDI can claim victory, although it had to pay a high price in the makeup of the list of deputies by agreeing to see its number cut to less than half that of PARENA. However, it avoided being left outside the

political arena, which could have happened if Jarpa had been the candidate, with the support of the traditional right (PARENA, National Party, Radical Democracy). In addition, the UDI this time prevented the right from putting real distance between itself and the regime by imposing its politics of continuity halfway, although these politics will now have to soften for the sake of the campaign. Above all, the UDI avoided being reduced to the uncomfortable role of leader of the pro-Pinochet forces, a role that National Vanguard, Radical Democracy, and minor figures on the national scene are now taking up, this time without any glory. The very fact that Pinochet was ultimately left out of the game and forced to declare his "noninvolvement" shows that the regime has lost the leadership of the right, even though it retains some veto power, which was effective against Jarpa and will now no doubt make itself felt against Errazuriz. It is important for Buchi that Errazuriz drop out of the race because he has opened a neopopulist flank on the right, thus blurring his own image and introducing static into the main battle, which is between Buchi and the standard-bearer of the Coalition, Patricio Aylwin.

The Difficult Task

All this having been said, it is clear that the right is in bad shape for the December elections. Its internal alliances have been born more of this multiple stalemate among disparate forces than of a real agreement on what to do and how to do it. The candidate is relatively volatile and artificial. According to recent public opinion polls, he has not succeeded in consolidating his image and remains far below even last October's yes vote. Since the candidate is Buchi, whose only claim to fame is his track record as part of the regime, the right will have to accept a repeat of October and to yield the symbolism of and hope for the future to the Coalition. Buchi does not represent change nor can he claim to be independent of Pinochet. His candidacy was born from within the regime and, therefore, is burdened with all of the limitations of such an origin. If he ever takes office, the country will know who really holds power. His personality does not come through as that of a leader of stature, and his strained ties with the parties show that he is independent in name only.

The right thus has a tough task ahead of it. It must grow strong in the midst of probable defeat and enter democracy with the millstone of Pinochet around its neck. It remains to be seen whether Buchi really was the best choice for this undertaking. What is clear at this point is that with Buchi the right has postponed overhauling itself and has subordinated its future to a current distribution of powers.

* Buchi's Electoral Program Detailed

33480282a Santiago QUE PASA in Spanish
24 Aug 89 pp 6-9

[Article by M. I. Fernandez: "Buchi's Political Program"]

[Text] Democracy at every level is the motto of this document, which is a first draft of the political program that will soon be made public. It proposes: mayors chosen by a direct popular vote; regional senates, also chosen directly, that will balance the power of the central government; greater autonomy and more funding for the regions.

—A less presidential and more participatory constitution. More powers for Congress. All members of Congress to be elected by the people. An end to appointed senators.

—Modernization of the justice system: more modern, more efficient, and more independent. A new system for rating and promoting judges. Elimination of the system of integrated attorneys. The jurisdiction of the military courts to be narrowed. Neighborhood courts to be created.

—Human rights and the amnesty law: determination not to resort to states of emergency; the 1978 amnesty law to be honored; the CNI [National Information Center] to be dissolved. An end to exile. Economic incentives for the return of exiles and their families.

—Freedom of expression and its relationship to television: private television to be approved, but with antimonopoly legislation enforced.

Putting together the document was difficult. The members of the Buchi Command in charge of this matter worked up to the last minute putting the finishing touches on the draft of the political program that will soon be made public and that sets forth the independent candidate's philosophy. They had good reason for the delay. The platform is the result of intense work by several commissions with specialists in each area, all pursuing a common objective: come up with new and realistic solutions that will enable Chile to consolidate a modern, sound, and efficient democracy.

No issue was left out of this document, to which QUE PASA had exclusive access. Its eight pages summarize Buchi's thinking on four fundamental issues: system of government, the Judiciary (the most extensive), human rights and the amnesty law, and freedom of expression and its relationship to TV.

The program begins by tackling the constitution. It acknowledges the need for institutional stability and, therefore, contends that the recent modifications of the constitution must be given a long enough break-in period before further changes are made. Nonetheless, it acknowledges the need to make changes in the constitution, so as to incorporate improvements that will allow for greater political freedom.

Regional and local government: The idea is to establish more centers of power and to practice democracy from the bottom up. To achieve this, direct elections are proposed at every level: regional mayors and senates elected by the people.

Major changes are advocated at the regional level. One is to balance out power between the central government and the people. Another is to give greater autonomy and more funding to each region. The following is proposed to accomplish both these goals. Intendants and governors, the latter still to be chosen exclusively by the president of the Republic, will share power with a regional Senate. Thus, intendants will no longer act alone. In making an important decision about the region or in deciding how money is to be spent, they will require the backing of their region's representatives. The document then amplifies this point. It says that this body is not being given the sort of legislative capacity that would shatter Chile's organizational unity. Lastly, the document proposes a gradual expansion of the National Fund for Regional Development, thus granting greater decisionmaking power to the regions to resolve their economic and social problems.

—The Legislative Counterweight: Here the program acknowledges that the 1980 Constitution is strongly presidential. It argues that this sort of concentration of power is a threat to the political stability of an open, democratic society. Therefore, it proposes honing the checks and balances that exist today. It suggests the following:

Give a portion of the president's power to Congress, thus striking a better balance between the executive and legislative branches. It cites examples: Require Senate approval to appoint ambassadors and chiefs of government services who discharge supervisory functions (superintendents) or are empowered to issue regulations (internal revenue service).

Other counterbalancing measures are: prevent the president of the Republic from governing via decrees without the consent of Congress; modify the current makeup of Congress so that all of its members are elected by the people, except the former presidents, who are entitled to sit in the Senate, and amend the current section relating to the Judiciary so that the other propositions contained in this program can be introduced.

—The Judiciary: "An open and democratic society must have an independent and well respected Judiciary that provides timely answers to individuals in a just and efficient manner. From this perspective, the modernization of justice is one of the primary tasks that the future government will have to undertake," says the document.

—For a more independent justice system: The apolitical appointment of judges is bolstered. And to see to it that the country has only the finest judges, more than just their quality must be taken into account; good pay must also be provided. Specific measures are proposed: create a Center for Judicial Development, which will be in charge of the professional advancement of members of the Judiciary, as well as an Institute of Judicial Studies, a training institution resulting from an initiative of the Judiciary itself.

—Streamlining justice: Judges will see their work load reduced. The Organic Code of Courts will be amended so that they will not be the only bodies that must handle all the formalities that the law demands. Justice will thus be streamlined. In pursuit of this same objective, legislation on civil procedure will be simplified, and the current system of criminal procedure will be replaced. There will be examining judges, who will investigate the facts, and sentencing judges. Magistrates will no longer be both judge and jury. Another major point: the confidentiality of the summary proceeding will be limited. Once 40 days are up, the defense will be entitled to see it. These and other additional measures will help to lessen the burden of not only lower courts but the Supreme Court as well. All of this will make justice more prompt and efficient and, moreover, will reduce government spending in this area.

—Military justice: The document criticizes the jurisdiction of military justice, "which has spread too much in recent times." It wants military justice to try only those crimes that have traditionally been described as military.

—Justice for all: Justice will be available to all, especially the poor. Neighborhood courts will be set up. They will hear local and neighborhood matters on the basis of the country's division into communities. They will act promptly and under the direct and active guidance of the judge.

—Lightening the Supreme Court's case load: The Supreme Court will see its essential function restored. In other words, it will be relieved of having to decide incidental or administrative questions. Its job will again be to guide and oversee the enforcement of the law by lower courts by issuing well founded decisions. Its operations will thus be streamlined, and in so doing it will be relieved of the heavy load that it now has (almost 5,000 cases a year).

—Human rights and the Amnesty Law: Here the document includes a lengthy introduction, which we are reprinting in its entirety: "Fundamental rights are the basic guarantees that the constitution recognizes for all of us who live in Chile. There is a very broad consensus in the country on this point. In order for these rights to be more than just slogans, as they have been in many places and periods, the courts must be endowed with wide-ranging powers to ensure that they are respected. The introduction of the appeal for protection has been a valuable contribution to the rule of law under which private citizens and government officials alike are subject to judicial control."

So much for the preamble. Now come the specifics: "We have made the political decision that the future government will not resort abusively to constitutional states of emergency.

"Nevertheless, it is just as important as our decision that, along with it, the judicial system interpret the restrictions on constitutional guarantees in a manner

consistent with the purpose of the constitution, which is to make fundamental rights inviolable.

"It is currently up to the regular courts of justice, whose mission is to enforce the law, to decide human rights cases. It will be up to them to interpret the scope of the 1978 amnesty. We are not in favor of repealing it. It is a law that has already had its effects. Criminal liabilities that have lapsed cannot be reincurred, nor can trials that have ended be revived. A fundamental principle of Western law is at stake here: that a criminal law is not retroactive once it has taken effect.

"If the issue arises in connection with a future amnesty law, we will be in favor of one only if it is the result of a clear-cut consensus among all the country's democratic sectors and does not conflict with the notion of justice of most Chileans."

In this regard, the document calls for decisions designed to prevent future violations of fundamental individual rights. Consideration will be given to adapting national legislation to the international treaties that the country has signed in this field. An amendment to the constitution will be promoted to require the approval of the Senate or the National Security Council, depending on which consented initially to the constitutional state of emergency, for any renewal of it, with an increasing majority needed in accordance with how many times it has already been renewed. A similar majority will be required to declare a state of emergency whenever fewer than 30 days have passed since the last one expired.

—Dissolution of the CNI and an end to exile: The document is terse on the subject of the CNI. It simply says: it will disappear. It indicates, however, that legal mechanisms and institutions will be created to make possible an effective fight against terrorism. Exile will effectively be ended by repealing the penalties of confinement, banishment, and deportation. All exiled Chileans and their families will be encouraged to return by creating mechanisms that will insure that they can resume an active life and by establishing diverse economic incentives.

—Freedom of expression and its relationship to TV: To talk about freedom of expression is to talk about television, says the document. If TV is a discretionary monopoly of government, we can conclude that this freedom is severely restricted. It adds: this conviction prompts us to declare that open and competitive television is needed. The following measures are proposed to achieve this goal: pass and enforce legislation that will enable private entities to own TV stations, and declare antimonopoly legislation applicable so that the ownership of the mass media is diverse enough to prevent a concentration that is a threat to freedom of expression and opinion.

—Buchi's position on the role that President Pinochet ought to play during the next presidential term: We will reprint Hernan Buchi's words: "President Pinochet's role is provided for in the constitution. He can remain as commander in chief of the army or resign his post and choose to be a senator for life as a former president of the Republic. In my personal opinion, I would like the country to enjoy normalcy and harmony. This is a task that is up to all Chileans, not just to whoever is elected president of the Republic or to the groups that he mainly represents or to a single party. Within this atmosphere of harmony, if I were President Pinochet, I would finish my job as president and conclude that the best way I could serve the country is the way provided for in the constitution: serving as a senator by virtue of being a former president. No one can challenge President Pinochet's legitimate right to be a senator."

Colombia

Coverage of President Mitterrand's Stopover Visit

Arrives at Airport 12 Oct

PA1210234589 Paris AFP in Spanish 2304 GMT 12 Oct 89

[Text] Bogota, 12 Oct (AFP)—French President Francois Mitterrand arrived in Bogota at 1750 (2250 GMT) to express his government's and his own support for Colombia's struggle against the drug trafficking mafias.

Mitterrand was welcomed by Colombian President Virgilio Barco at the Catam military airport, 18 km west of the city. Barco had returned to Bogota from Ica, Peru, where he attended a summit of presidents of the Group of Eight (G-8).

Barco and Mitterrand will hold a private 20-minute meeting tonight at Narino Palace in the center of Bogota, where the French president will hold a brief news conference.

The French president is making this stopover in Bogota on his way back to Paris, after ending an official tour that included Caracas and Quito.

Mitterrand is scheduled to fly to Caracas at 0100 GMT on Friday to use the Concorde which will take him to Paris.

Holds Private Meeting

PA1310031389 Bogota Inravision Television Cadena 2 in Spanish 0019 GMT 13 Oct 89

[Text] Upon returning to Bogota today from Ica, Peru, Colombian President Virgilio Barco voiced full support for general secretary of the Presidency German Montoya. When the national press asked President Barco to comment on the Liberal Party not allowing Montoya to be summoned by Senator Alvaro Leyva Duran to explain before a commission his [Montoya's] conversations with Joaquin Vallejo Arbelaez, Barco said that the party had done the right thing. Barco added that his general secretary of the Presidency had also done the right thing.

Concerning the results of the meeting of the Group of Eight, Barco said he was satisfied.

[Begin Barco recording] We held very cordial and friendly talks. It was undoubtedly a very successful meeting, a very cordial meeting. The Group of Eight has always been a very hard working group that understands everyone very well. [end recording]

President Barco knew nothing about the letter received on 12 October by the media in which Pablo Escobar Gaviria proposes a new dialogue. At any rate, Barco reiterated the war against drug trafficking continues, now with the support of the Group of Eight.

The Colombian president returned to the country sooner in order to receive his French counterpart, Francois Mitterrand, who arrived in Colombia, as he is visiting the area.

[Begin recording] [Mitterrand; in French, with passage-by-passage translation into Spanish] I wish this country and the Colombian people the best of luck in the struggle for good health, prosperity, honesty, and life. I wish to add that I am very happy to be here and to have met with President Barco. Thank you. [end recording]

At this time, the two presidents are holding a private meeting mainly to discuss France's participation in the war against drug traffickers. One of the points being discussed is Barco's plan for controlling drug consumption in the developed countries. Another point concerns opening new channels for Colombian products in the industrialized nations.

Meets With Barco for 2 Hours

PA1310031789 Bogota Radio Cadena Nacional in Spanish 0150 GMT 13 Oct 89

[Report by Antonio Jose Caballero from the Catam Military Airport in Bogota—live]

[Text] French President Francois Mitterrand has just said goodbye to Colombian President Virgilio Barco and Foreign Minister Julio Londono Paredes. President Mitterrand just spoke to Radio Cadena Nacional, sending greetings and best wishes for prosprity as follows:

[Begin recording] [Reporter] I am from Radio Cadena Nacional. Would you like to bid farewell to Colombia? [Mitterrand; in French with passage-by-passage translation into Spanish] Yes, I would like to say goodbye to the Colombians. I regret I have obligations that have forced me to stay only a short time in Colombia. There are obligations in my country that I must take care of.

On 13 October I must preside over a Council of Ministers meeting in Paris. However, in just 2 hours, we have been able to do much work with President Barco. My ministers have also been able to work very well with their Colombian counterparts.

I had visited Colombia on a previous occasion, when I was able to admire the city of Bogota, that has beautiful monuments and magnificent buildings. The Colombians have done a great job. They are the only Latin Americans who have administered their nation in such a manner that it has always been able to meet its commercial and financial commitments. The people merit the greatest esteem. I hope I will again visit Colombia for a third time. In the meantime, I wish you the best of courage, and I hope you will be successful with democracy.

[Reporter] Mr President, Radio Cadena Nacional wishes you a safe journey and thanks you for everything you have said.
[Mitterrand] Thank you and goodbye.

[Reporter] Have a nice trip, Mr President. [end recording]

These were the exclusive statements by President Francois Mitterrand to Radio Cadena Nacional. The Air France Airbus is departing now. The president will go to Caracas, where he will take the Concorde that will take him to Paris, after completing his Latin American tour.

He first visited Caracas, Venezuela, from there he went to Quito, Ecuador, and today he is bidding farwell to the Colombian people, wishing our people and government much success in the struggle we are waging against organized crime in Colombia.

President Virgilio Barco Vargas came to the Catam Military Airport to say goodbye to President Mitterrand, but he abstained from making any statements. President Barco only said he came to bid farewell to the French president. Barco said he had already hosted a news conference and had made statements to the Colombian press upon his arrival in Bogota.

Government 'Will Not Negotiate' With Cartels

PA1310015189 Bogota Inravision Television Cadena 2 in Spanish 0022 GMT 13 Oct 89

[Text] The secretary general of the Presidency of the Republic today responded by letter to Senator Alvaro Leyva Duran on the alleged dialogues with the narcotics traffickers. In the letter, the secretary general says that President Barco's peace proposal is not addressed to the cartels, and the government will not negotiate with them.

Measures Issued To Protect EL ESPECTADOR

PA1310005589 Bogota Inravision Television Cadena 2 in Spanish 0005 GMT 13 Oct 89

[Report by Hernando Corral]

[Text] The National Security Council today announced strict protection measures to guarantee the free circulation of the newspaper EL ESPECTADOR. In view of the assassination of the newspaper's manager and circulation chief in Medellin, the government said that it will protect those who work in the newspaper and its installations.

As a result of the EL ESPECTADOR executives' demand that the government provide them with guarantees, the Security Council said it will opportunely and resolutely deal with the problem by taking the measures it feels are necessary to guarantee the exercise of journalism and to strengthen one of the most important pillars of democracy.

DAS Arrests 3 Medellin Cartel 'Kingpins'

PA1210234689 Madrid EFE in Spanish 2105 GMT 12 Oct 89

[Text] Bogota, 12 Oct (EFE) — Colombian military and police authorities have arrested three "kingpins" of the "Medellin Cartel" and discovered 450 kg of dynamite at one of the farms of "El Mexicano" [Jose Gonzalo Rodriguez Gacha], the cartel's operations chief.

The men arrested by the police in the past 24 hours are Jose Rafael Abello alias "El Mono Abello," Leonidas Vargas Vargas alias "El Viejo," and Manuel Palma, who is charged with "laundering" dollars obtained from drug trafficking.

A source from the Colombian secret police's Administrative Department of Security (DAS) today reported to EFE that "El Mono Abello" remains under arrest at DAS, waiting for U.S. authorities to request his extradition.

"El Mono Abello," owner of several farms—now occupied by the Army—in various regions of the country, and owner of several horses used in bullfights, was arrested when he was having dinner with a girlfriend at a restaurant in northern Bogota. He tried to bribe the police agents who arrested him with 100 million pesos ($250,000).

The source also reported that another drug trafficker arrested by DAS agents in Cartagena de Indias, Canadian Richard Houle, was transferred to Bogota today and will be handed over to Canada through Interpol. Houle is wanted in Quebec on charges of smuggling in large quantities of cocaine from South America, the DAS source consulted today by EFE said.

Regarding "Mono Abello," whose extradition has been requested by an Oklahoma court, the authorities believe he ranks "fourth" in importance in the "Medellin Cartel." The Oklahoma court has charged him with conspiracy to smuggle cocaine and with "money-laundering."

Pablo Escobar Gaviria, Gonzalo Rodriguez Gacha ("El Mexicano"), and Jorge Luis Ochoa are the top three leaders in the Medellin organization. This organization and the "Cali Cartel" are the most important cocaine processing and distributing cartels in the world.

Also on Tuesday night, but in Barranquilla, the authorities arrested Manuel Palma, owner of "Palman Productions," a television enterprise on the Colombian Atlantic Coast, as well as of several construction companies. The authorities transferred him to Bogota today and are waiting for an extradition request from the U.S. Government.

On Wednesday, troops from the Army's 13th Brigade confiscated over 450 kg of dynamite and other explosives at "La Primavera" farm, which is located in the town of Pacho 120 km north of Bogota and owned by "El Mexicano." The military authorities discovered the explosives in a camouflaged warehouse in a wooded area of the farm.

According to the Defense Ministry, "El Mexicano" is the supplier of the dynamite used in the more than 50 attacks against banks, political party offices, movie theaters, and supermarkets in Bogota that have been taking place since August.

On 18 August, Colombian President Virgilio Barco declared an "all out war" against the drug trafficking mafias. Six days later the drug kingpins began taking retaliatory measures in Medellin, Bogota, and other cities, where they have set off around 100 bombs that have killed over 10 people and injured some 150.

Escobar Seeks LA PRENSA Director Mediation

PA1210010389 Bogota Inravision Television Cadena 2 in Spanish 0030 GMT 12 Oct 89

[Text] What you now see is a faxed copy we have received of the letter Pablo Escobar Gaviria sent to LA PRENSA Director Juan Carlos Pastrana. Here is his fingerprint. The extraditables asked LA PRENSA Director Juan Carlos Pastrana to serve as mediator before the church, the political class, and the Supreme Court of Justice and its magistrates in order to seek a direct dialogue with the government and thus consolidate peace in our country.

The letter, signed by Pablo Escobar Gaviria, lists five points. In these points, he summarizes the contacts made with the government, as well as—they claim—outrages committed against their families. The Extraditables reiterate several counter proposals they have made to achieve peace.

Director Declines Invitation

PA1210172689 Bogota Radio Cadena Nacional in Spanish 1200 GMT 12 Oct 89

[Text] Bogota—Juan Carlos Pastrana, director of the newspaper LA PRENSA, has declined an invitation from Pablo Escobar Gaviria to promote and form part of a commission made up of various local sectors to initiate a dialogue between the Extraditables and the government.

In a letter sent to Pastrana yesterday, Escobar Gaviria mentioned the possibility of establishing a dialogue commission, consisting of the heads of military brigades, guerrilla commanders, emerald dealers, spokesmen from the self-defense groups, and representatives of the Congress, the church, and the political sector.

Today, Pastrana published the following letter in his newspaper:

I have seen, through friends in the media, a copy of the letter addressed to me which has been circulated by Mr Pablo Escobar Gaviria. In the letter, Escobar invites me to mediate, along with other newspaper publishers and the Catholic Church, in a dialogue between the Colombian Government and the self-styled Group of Extraditables.

My answer to the suggestion is, at the least, obvious. To act as a mediator in any process, one needs, as a minimum, trust, closeness, or contact with at least one of the parties involved. In my case, none of these conditions is present. LA PRENSA has merely reported, as the public demands of newsmen, what it considers to be a proven fact that the country should be aware of: that there was a continued dialogue, through intermediaries, between the Colombian Government and the self-styled Group of Extraditables throughout the course of a year.

It is appropriate to point out, by way of a precedent, the statement made by Hernando Santos, director of the newspaper EL TIEMPO, on being invited by the guerrillas to serve as a guarantor of the so-called Commission of Notables. My colleague explained at the time, with the support of the other illustrious commission members, that it was impossible for him to serve on that commission because of the freedom to criticize that is required in the journalistic profession.

Signed: Juan Carlos Pastrana, director, LA PRENSA